The Financial Times, August 22, 1975

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Israeli protests greet Dr. K.

Israeli police used teargas, batons and a water cannon in Jerusalem last night to break up crowds of Right-wing demonstrators after the arrival of Dr. Kissinger on a new round of shuttle diplomacy.

Armed guards ringed the airport when the U.S. Secretary of State arrived in Tel Aviv and was helicoptered to Jerusalem, where the worst anti-Kissinger protests ever led crowds on a sit-in on roads leading to Parliament. Earlier, smaller groups of Left-wingers had paraded in support of Kissinger's mission.

For his part, Dr. Kissinger acknowledged that Israel could embark on a course of withdrawal only from a position of strength and promised full U.S. backing to this end.

The U.S. and some European countries could participate in a multi-billion dollar financing package for Egypt if the talks succeed. Back Page, Page 5

Ulster deaths

Two men were shot dead in Belfast yesterday amid indications that sectarian violence is on the increase. On the political scene, the centrist Alliance Party acted as mediators between the Loyalist UUUC and the Catholic SDLP, whose negotiations ran into difficulties on Wednesday. Page 7

Nude 'insult'

"Free George Davis" campaigner Colin Dean was charged with insulting behaviour yesterday after a naked early morning protest in a London park. Campaign organiser Peter Chappell said dozens of offers of support had followed the Headingley Test pitch sabotage.

Coach risks

Injury risks to coach passengers are higher than they should be because of poor maintenance by most operators, particularly of brakes, leading brake manufacturers claim in this week's issue of Motor Transport. A total of 35 people have been killed in coach crashes in the past three months.

Rabies 'war'

The fight to keep rabies out of Britain is like "the dark days of war," a magistrate said yesterday when fining a Kent man £400 (or 90 days) for illegally landing a dog at Dover.

Charlton quits

Bobby Charlton resigned as manager of Third Division Preston yesterday after a row with the directors over the transfer to Newcastle of centre-half John Bird.

People and places

Four Calverton, Notts, youths were fined £200 each yesterday, plus compensation and costs, for attacking a group of visiting French teenagers asleep in a camp.

Four prisoners who had diligently practised long jumping, leapt a four-yard roof top gap to escape from an Augusta, Sicily, jail.

A Pakistani housewife was jailed for six weeks in London yesterday for shoplifting while she had £900 in her handbag.

Bible found in an attic by a Bonn schoolteacher 14 years ago has been confirmed as a 500-year-old Gutenberg worth £550,000.

Rescue vessels were last night heading for an area off Nantucket, where troubled transatlantic balloonist Bob and his flight crew chief were heading for a splash-down.

The condition of 92-year-old ex-President Eamon de Valera, under treatment since catching a heavy cold, showed some signs of weakening last night, but was not serious.

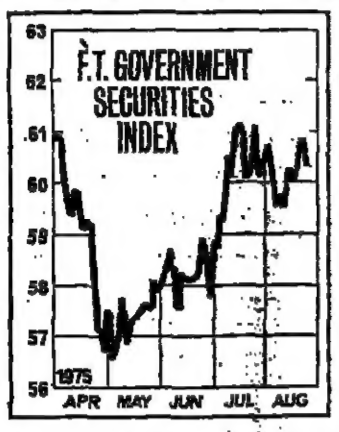
Britain's Police Federation last night called for tougher laws to combat "frightening" increase in crime.

BUSINESS

Equities firmer, but Gilts drift

● EQUITIES ended the Account on a firmer note. The FT 30-share index put on 3.8 to 304.5, a rise of 25.7 over the Account.

● GILTS drifted lower, but lack of business kept falls to ¼. The



Government Securities index was 0.25 down at 60.35.

● THE POUND fell 90 points to close at $2.1120, with its depreciation at 27.8 per cent. (27.5). The dollar's was 2.59 per cent. (2.63).

● GOLD closed 75c down at $162¼.

● WALL STREET was 1.57 down at 791.69.

● WORLD STEEL output fell to 31.7m. tonnes in July, against 40.3m. tonnes last July. Britain's output dropped to 1.2m. tonnes (1.8m.). Page 6

U.S. prices up 1.2%

● U.S. RETAIL prices rose by 1.2 per cent. in July, mainly due to increases in petrol and food costs. Back Page

● CHASE MANHATTAN Bank is to offer Special Drawing Rights facilities from August 25. Back Page

● WEST GERMAN trade surplus in July was DM3.4bn. against DM4.5bn. last year. Page 6.

● ENGINEERING orders show slight signs of revival, according to Department of Industry figures. Page 7

● BRITISH AIRPORTS AUTHORITY says landing charges are to go up 15 per cent. from November 1. Page 7

● BACON prices fell £45 — for the first time in six months — on the London Provision Exchange. Some cuts could be 5p cheaper in the shops. Page 23

● MINERS' ballot closes to-day and a majority of votes are expected to favour the Government's £6 a week limit on wage rises. Back Page

● BSC's chief executive, Mr. Robert Scholey, says its programme to reduce manning levels is the most important factor in the corporation's fight for survival. Meanwhile, a Marks and Spencer supplier, Mansfield Hosiery, is to cut 240 jobs. Page 7.

● NVT shop stewards have rejected management proposals for 1,000 redundancies at Small Heath. Page 9

COMPANIES

● LONDON BRICK pre-tax profit for the six months to June 30 was £5.087m. (£1.367m.). Profit upturn due to increased demand. Page 18 and Back Page

● NORCROS is to raise £9.69m. by a three-for-11 rights issue. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Assoc. P. Cement	142	+ 4
"Bats"	273	+ 5
British Home Stores	293	+ 4
Brotherhood (P.)	61	+ 4
Clay (Richard)	35	+ 7
English Property	47	+ 3½
Eucalyptus Pulp	32	+ 4
Fodens	15	+ 3
Gerrard & National	252	+ 7
Haslemere Estates	177	+ 7
H.K. & Shanghai Bk.	220	+ 4
Ladbroke	142	+ 4
Land Securities	146	+ 4
Leisure Caravan	69	+ 4
London Brick	54	+ 6
Lyons (J.) "A"	132	+ 5
MEPC	81	+ 4
Metal Box	251	+ 5
Pilkington	235	+ 5
Rennies Cons.	305	+ 22
Royal Insurance	278	+ 4
Stock Conversion	140	+ 10
Suter Electrical	7	+ 2½
Tate & Lyle	204	+ 5
Tube Invs.	238	+ 6
Waddington (John)	83	+ 4
Weir Group	56	+ 3
Shell Transport	325	+ 7
Botswana RST	74	+ 4
President Steyn	£17	+ ¾
Roan Cons.	290	+ 10
St. Helena	£20¾	+ ½

FALLS

Allen Harvey & Ross	300	− 10
Bainbridge	20	− 7
Mono Containers	25	− 4
Norcros	51	− 5
Rank Orgn. "A"	120	− 5
Tanganyika Concns.	176	− 4
Utah Mining	710	− 15

School leavers push workless to 1¼m.

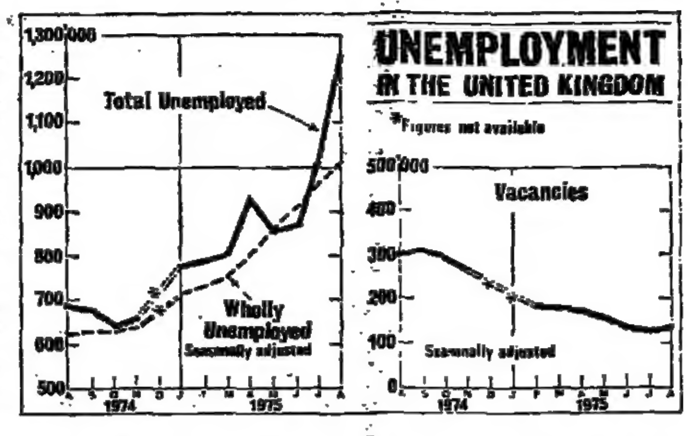
BY MICHAEL BLANDEN

UNEMPLOYMENT in the U.K. rose to a record post-war level of over 1.25m. in August. This included an unprecedentedly high number of school leavers accounting for two-thirds of the increase.

Commenting on the figures, Mr. Michael Foot, Employment Secretary, said: "No one should seek to minimise in any way the tragedy and the waste involved in an unemployment total of this scale."

He reinforced the Prime Minister's emphasis in his television broadcast on the need to attack inflation and unemployment as part of the same problem and for everybody to observe the £6 pay rise limit.

Trade union concern over the news is likely to strengthen the hands of those opposed to present Government policies at the annual TUC congress starting in ten days' time.



Slowdown

The TUC itself in a statement yesterday stressed particularly the need for action to provide jobs for young people.

Individual union leaders, including Mr. David Basnett of the General and Municipal Workers, were calling for Government intervention to increase the number of jobs available.

There are some signs in the figures of a slowdown in the very rapid recent rate of growth in unemployment. The picture on the jobs side looks a little more optimistic with the first increase in the number of adult vacancies available on a seasonally-adjusted basis for about a year.

Nevertheless, the figures show a continuing steep climb in the level of unemployment even allowing for the special factors which have influenced recent levels.

Between mid-July and mid-August, the total number of people registered as unemployed in the U.K. increased by 162,464 to 1,250,334 (1,195,411 in Great Britain). The proportion of the labour force out of work rose by 0.7 per cent. to a post-war record of 5.4 per cent.

The total has been substantially inflated by the arrival on the register of 103,477 more school-leavers, taking the total of school-leavers out of work to 165,623 in the U.K.

It is pointed out that to some extent this element has been increased this year by the rise in the school-leaving age (bringing school-leavers into the age group qualifying for supplementary benefits) as well as a growing willingness to register.

It is recognised, however, that the number of school-leavers registering also reflects concern over job prospects, and Mr. Foot put particular emphasis on the damage suffered by these young people when they were unable to get a job.

Leaving aside school leavers and adult students on the register, the number of wholly-unemployed in the U.K. was up by 57,441 to 985,378, while the comparable figure for Great Britain alone was an increase of 54,622 to 943,744.

The rise was bigger than would be expected on seasonal grounds, and after seasonal adjustment the U.K. total of wholly unemployed rose by 32,300 to 1,008,800.

The increase was noticeably less than the high rate of rise which had been seen in the preceding four months or so, and compared with a jump of 75,100 in the previous month.

The trend in unfilled vacancies has improved. The numbers notified to employment offices—mainly for adults—were down 6,921 at 138,452 in the U.K. on August 6. But after allowing for seasonal factors, this represented a rise of 5,000 to 136,700.

Daunting

Again, the underlying level of unemployment, it is pointed out, may be rather less daunting if account is taken of those who have been out of work for four weeks or less.

Of the total, it is shown that those under 60 years old excluding adult students who have been unemployed for over four weeks was 683,000, against 630,000 in the previous month.

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Jobs subsidy planned for young people

BY JOHN ELLIOTT, LABOUR EDITOR

GOVERNMENT MINISTERS are now drawing up special plans to cut the number of unemployed school leavers this winter by offering over £3m. in new State subsidies of £5 a week to employers taking on those who would otherwise be without a job.

This plan, which Ministers have been anxious to keep secret because of the impact it might have on the employment of school leavers before the special payments came into effect, is now being considered by both sides of industry.

Yesterday's unemployment figures showing 165,000 unemployed school leavers give the plan an extra urgency and might lead to pressure being put on Ministers to introduce the subsidies before the November 1 starting date that is at present planned.

Known as recruitment subsidies for school-leavers, the financial help was foreshadowed in the Government's anti-inflation White Paper which said Ministers would be looking at further help "for young people and will be consulting the TUC and CBI about special temporary measures to encourage their employment in industry."

Yesterday Mr. Michael Foot, Employment Secretary, promised when he commented on the unemployment figures that these temporary measures were being considered. The TUC, which knows of the Government's detailed plans but is not allowed to say so, not surprisingly called on the Government to make a special effort to get school-leavers into jobs quickly.

The Government's plan would operate across the country and not just in the selected areas to which the new temporary employment subsidy is directed.

It would cover young people aged under 19 who have not been employed for more than six weeks since leaving school and who are registered as unemployed on or after November 1. It would last till the end of the year although it could then be reactivated to help new school leavers, especially those in Scotland.

Employers taking on these school leavers would receive the £5 a week financial incentive from the Government for 26 weeks paid monthly in arrears. The Government would hope that employers would not use this money as a bonus for temporary employment and the employer would also have to certify that he had not dismissed an older employee to create the school leaver's vacancy.

This provision is intended to offset concern among union leaders that employers sometimes lay off older workers at times of high unemployment and then recruit other younger workers on lower pay rates.

Young people emerging from the Government's training opportunities scheme, which was improved earlier this week, will be eligible for the subsidy whether or not they have registered as unemployed. There would also be special provisions for apprentices in the construction industry.

The TUC said yesterday that two out of every three of the new unemployed in the past month were school-leavers and now it will soon be telling the Government its view on the new proposals which the Government estimates might cost £3.3m. if 25,000 school-leavers were covered.

Tories will rally behind firm pay policy, says Whitelaw

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. WILLIAM WHITELAW, the Conservative Deputy Leader, pledged last night that the Tories would stand by the Government if the £6 pay ceiling was challenged by the trade unions in the coming year.

In response to the Prime Minister's television broadcast, Mr. Whitelaw assured the nation that the Conservative Party would not seek political advantage from the economic crisis but would encourage Mr. Wilson and his colleagues to stand firm on their policy to control inflation.

Despite Mr. Whitelaw's support, made during Mrs. Margaret Thatcher's absence on holiday in France, some Conservatives are likely to protest at the party going to Mr. Wilson's aid without getting any guarantees in return.

It was significant, however, that Mr. Whitelaw, while putting no specific price on Tory support, went out of his way to call on the Government to cut public expenditure immediately and to drop its nationalisation proposals.

"If the Government are going to ask the rest of us to tighten our belts, they really must set an example and tighten their own," he declared.

If there is an upsurge of protest at the Conservative party conference or after the contents of the Queen's Speech are published in November, Conservative leaders could argue that their support for the Government's counter-inflation policy was conditional on Ministers adopting more moderate policies.

The theme of Mr. Whitelaw's broadcast was that the problem of inflation was so serious "that even those who would tackle it differently owe it to the country to give this policy every chance of success."

He therefore emphasised one key aspect of Conservative policy—that anyone from any quarter who sought by any

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method to break the Government's counter-inflation policy, would receive neither comfort nor encouragement from the Tory leadership.

"We will not seek party advantage from the present desperate situation," he declared. "We shall stand by Mr. Wilson if his policy is challenged and encourage him and his Ministers to stand firm in the battle. I hope everyone in his own party will do so as well," he added in a pointed reference to the Labour Left wing.

But although Mr. Whitelaw fully backed the pay aspects of the counter-inflation policy, he pointed out that Mr. Wilson, in his broadcast, had said very little about the management of the economy and restraint in public spending which it was widely recognised must form an essential part of an effective policy.

So far, although some Ministers had seemed to recognise this, there had been "all words and no action." This was simply not good enough, and the longer action was delayed the more disastrous the results would be.

Mr. Whitelaw urged the Premier to take the nation into his confidence on public spending cuts and state that the effect of cutting back was bound to be felt by every family. "We will never get people to accept this inevitable result by concealing the truth. Economies by stealth will only lead to resistance and resentment."

On local government spending, in particular, Mr. Whitelaw stressed that the country would not tolerate it if town halls, instead of cutting their own expenditure, merely passed on higher bills to the ratepayer. "The Government really must make sure that this is not allowed to happen."

If the Prime Minister genuinely wanted a national approach, then he would also have to consider setting aside "some of the purely Socialist legislation" that the Government was rushing through Parliament, Mr. Whitelaw insisted.

In stark contrast to Mr. Whitelaw's conciliatory attitude, Mr. Cyril Smith, the Liberal Chief Whip, issued a statement calling on Mr. Wilson to resign and make way for a more broadly based Government.

"Mr. Wilson and his cronies should resign and let the nation unite behind a new team whose only policy is the conquering of inflation, whose sole motivation is the preservation of Great Britain, and whom the country feels it can trust and follow. It was not a year for Britain we need, but a Government for Britain."

UDT makes £32.4m. pre-tax loss

BY MICHAEL BLANDEN

UNITED DOMINIONS TRUST, the U.K.'s biggest independent instalment credit group and a major recipient of "lifeboat" support funds, ended with a loss of £32.4m. before tax in the year ended in June.

After setting aside £21.6m. special provisions at the half-way stage, the group has made no further provisions against possible losses on its property portfolio. But its profits have been hit by substantially increased provisions against its ordinary U.K. consumer credit business and other costs. It has also written off a total of £25m. against some of its assets, including cutting the value of its head office by a quarter, bringing the reduction in its reserves over the year as a whole to £59m.

Mr. Leonard Mather, the recently appointed chairman, yesterday maintained that UDT had now completely "wiped the slate clean." He maintained that even after the past "salutary" year, the group had adequate capital to support its operations.

He looked forward to a return of confidence which would enable UDT to reduce its reliance on support from the clearing bank and Bank of England lifeboat fund, which, it has been reported, has been as much as some £450m. The group was making renewed efforts to attract deposits but, at present, there was no convincing sign of a return of deposits which had been withdrawn. The relatively high cost of funds was also handicapping the group's competitive ability.

Mr. Mather reported, however, that the group was hoping to increase its lending business in spite of difficult conditions in the motor market. It could make a

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profit in the current year if conditions remained reasonably stable.

Action taken in the past year has included a sharp run-down of the group's business, involving a reduction of staff between a quarter and a third with the elimination of nearly 1,000 jobs. UDT has put all its lending operations together, closing down its 30 money shops and a number of other branches.

It has also doubled its provisions against losses on its consumer credit business in view of the economic climate from 2.7 per cent. to 5.3 per cent. of the total costing some £4m. outstanding and reports a marked increase in collection arrears.

The group's pre-tax loss of £32.4m. for the year was largely accounted for by the £27.3m. loss reported in the first half, after the property provisions. It compares with a profit of £11.7m. pre-tax reported for the previous year. The Board sees no way to pay any dividend on the ordinary stock, and for technical reasons has had to defer payments of the small preference dividend due on June 30. The shares yesterday close 1p up at 18p after dropping to 15p on the results.

Besides the property and other provisions, profits have been hit by taking no credit for £8m. of unpaid interest, and by charging al the redundancy and reorganisation costs.

The £25m. of write-downs in the balance sheet include four main items: writing down holdings of quoted shares in associated companies and trade investments by £6m. to market value (including £4m. for the 25 per cent. stake in Henry Wigfall); writing off £7m. goodwill on the acquisition of Commercial Trading in the U.S.; reducing the book value of the investment in Rhodesia by nearly £4m. to a nominal amount; and reducing the book value of the group's freehold London head office by £4m. to £12m.

FEATURES

For latest Share Index 'phone 01-246 8026

£ in New York

—	Aug. 21	Previous
Spot	$2.1107-1115	$2.1175-1184
1 month	0.68-0.58 dis	0.76-0.68 dis
3 months	1.85-1.75 dis	1.97-1.87 dis
12 months	7.05-6.85 dis	7.30-7.20 dis

LOMBARD

The Fund on Euro-myths

BY ANTHONY HARRIS

WHEN THE STAFF of a bank or a ministry produce factual background material bearing on a new policy of their masters, the result is usually described as a "supporting document"; but it looks as if some new term will have to be invented for the activities of the staff of the International Monetary Fund. The IMF staff have been investigating the Eurodollar market, no doubt in "support" of the various solemn statements by Ministers and central bank Governors on the need to control this engine of international credit creation. In a staff paper last month John Hewson and Eisuke Sakakiraba (hereinafter referred to as ES) tried to estimate the credit multiplier of the euromarket, and came up with the answer: 1. In other words, Eurobanks lend on their deposits, but not more. No credit is created.

Received ideas

Now, in an article in the IMF's quarterly magazine Finance and Development, ES has taken the argument a stage further, and upset some more received ideas. Take, for example, the widespread notion that the Eurodollar market was created out of the U.S. balance of payments deficit. (This has been received at very high levels: on one recent occasion the great Milton Friedman expatiated on U.S. responsibility for the Euro-money supply for an hour or so, only to be floored completely—and perhaps for the only time on record—by a questioner who asked him to account for the growing supply of Euro-D-marks, despite the German surplus). ES neatly fits the boot on to the other foot: the growth of the Euromarket was the cause of the U.S. deficit, in the curious sense in which the Americans measure their deficit (the so-called "liquidity basis"). Better rates and keener margins in London attracted dollars from New York.

So why was the Euromarket there in the first place? Simply, says ES, because of attempts by the authorities to impose costly regulations on foreign business in their own domestic credit markets.

The Eurodollar market, therefore, grew up on the back of the U.S. interest equalisation tax, restrictions on inter-State banking, and the like. The Eurosterling market is a mirror of British exchange controls (and the stable margin of Eurosterling rates over domestic rates is a tribute to the efficiency of those controls — domestic sterling cannot be pulled into the Euromarket). Euromarks made their appearance when the Germans imposed heavy reserve requirements and negative interest rates on foreign deposits. The size of the market and the rates offered depend not, as in a domestic market, on the attempt by banks to find investment outlets for a multiple of their liquid deposits, but purely on the supply and demand for credit in a given currency. A London bank, for example, will only agree to denominate a deposit in D-marks if there is a matching loan available—it cannot afford, any more than the depositor himself, to run a large credit balance in a German bank.

This analysis not only does a lot to explain the much-discussed "mysteries" of the Euromarkets, but provokes some further thoughts which are perhaps worth spelling out.

Revenge

To generalise what ES has to say, the Euromarkets are the revenge the system takes on attempts to interfere with the natural working of an unregulated international system. Under a gold standard, the U.S. *current* deficit and the German *surplus would have caused inflation* in Germany and deflation in the U.S. The regulations in each country were designed to prevent these effects. The growth of Euromarkets partly undermined these attempts—which is perhaps why so many central bankers are so keen to interfere with them.

The conclusion ES draws is just the opposite: the attempt to monitor and regulate the Euromarkets will inevitably cause the *monetary authorities to come* under pressure to adjust their domestic policies (money supply in the U.S., balance of payments in Germany, for example) rather than try to prevent them having their natural consequences. Here it is not so easy to follow the analysis: it seems to be part of the institutional wishful thinking of the IMF to suppose that rubbing the noses of national authorities in technical facts — the mechanism of the Euromarkets or the rule of Domestic Credit Expansion — will make them more responsible internationally. Alas, it only helps a little.

U.K. interest rates rise against trend in rest of Europe

BY MICHAEL BLANDEN

THE RENEWED rise in U.K. interest rates has gone completely against the trend in the rest of Europe. But the situation remains finely balanced, and there could be further rises, say Williams and Glyn's Bank.

In its latest review of interest rates the bank argues that there now seems less reason than earlier to look for the short-term decline in U.S. rates that had been widely anticipated. Even if the upward drift there continues, however, "the depth of the current European recession is such that further declines in interest rates in Continental centres can be expected" — a prediction supported this week by *cuts in Belgium* and Sweden.

In the U.K. the bank suggests, the justification for lower rates on purely domestic grounds is at least as strong. But "external considerations continue to dominate, and the situation is currently so finely balanced that any further strengthening in the attractions of U.S. financial markets could well provoke further rises in rates in London."

After a pause since early June, the downtrend in Continental rates was resumed in the month to mid-August. West Germany cut short-term rates, as did the Netherlands and Denmark. Earlier the Swiss Bankers' Association had reduced their rate of discount for first class bills to bring it into line with money market conditions.

In the U.S., however, the banks' prime rates moved up by about ½ per cent. to a range of 7½-7¾ per cent. during the month as a result of the Federal Reserve's continuing restrictive monetary policy. But any upward pressure from this was not enough to outweigh official concern in the three European countries about their general economic situation.

SHORT TERM INTEREST RATES AS AT AUGUST 15 1975

Country	Bank Rate %	Overdrafts %	Loans %	Commercial & Finance Paper %
France	9.50 5.6.75	11.25 plus commission of 1/20% per month on highest debit balance in month. 10.80 minimum rate "Credit mobilisable"	9.50 min. for corp. borrowers	Commercial Bills 90 days 10.80 Finance 10.80
Italy	7 5.6.75	14.75	—	Commercial Bills to 180 days 14.25
Netherlands	5.50 15.8.75	8-8.50 minimum	—	—
Switzerland	4.50 16.5.75	8.25-9.25 unsecured 7.75-8.75 secured	7.75	Commercial Bills to 90 days 6
U.K.	11 (M.L.R.) 25.7.75	12.25-16	12.25-16	Commercial Bills Bank: 3 months 10.63-10.69 Trade: up to 180 days 11.50
Germany	4 15.8.75	9-10 Sometimes reduced for first class borrowers	8-9 Sometimes reduced for first class borrowers	Commercial Bills 8-9

RACING BY DOMINIC WIGAN

Caesar's Flame to shine again

THERE WAS no easier Goodwood winner last season than *Caesar's Flame*, who put 10 lengths between herself and the runner-up, Pure Magic, in the final quarter-mile of the Birdless Grove Stakes in September, and I hope to see this Hotfoot filly returned to winning form on the Sussex course in the valuable Bentinck Stakes (3.00).

Caesar's Flame, formerly with Humphrey Cottrill at Newmarket, but now trained at Upham by Bill Wightman, who sent out Import to win the Spillers Stewards Cup here last month, has failed to produce that fine form of last season in her two outings this term.

Nevertheless, she did not return too badly after a slow start in the highly competitive Ridgeway Handicap at Newbury on her last appearance, and with only 8 st 9 lbs, appeals as the probable answer.

Golden Charles, a winner at Brighton and Newmarket before failing to make the frame in the Moorland Brewery Trophy, may follow the selection home.

Half an hour after the Bentinck Stakes, it will be interesting to see how *Persian Breeze* fares in Round 12 of the Crown Plus Two Apprentice Championship (3.30). This consistent three-year-old ridden by that talented apprentice, Richard Fox, has made the 450-mile trip south from the Ayr stable of Nigel Angus.

Persian Breeze, who was one of the best two-year-olds in the North last season, winning five of his eight races, ran a fine race on his home course last time out when taking third place behind Ardoon in the Joe Coral Handicap, and with only 7 st 10 lbs in the saddle, he appeals as something of a handicap "good thing."

Another Angus representative here this afternoon is *Persian Breeze's* half-brother, *Crusty Shah*, bidding to follow up a two-and-a-half-length Redcar victory over Hotcakes in the opening event, the *Drawing Room* Stakes (2.0).

This chesnut son of Tyrant has been steadily improving and he may well prove capable of outpacing the favourite, Balldale.

Turning to Newmarket, where *French Harmony* can, finally, break his duck in the Beresford Handicap (3.15), the most interesting race of the day, in my opinion, is the Wavertree Plate (4.45), in which Bally's Gift, trained by Noel Murless, meets *Jujube* from the Marriott stables of his son-in-law Henry Cecil. Jujube, an easy winner from La Meme (again in opposition) at Nottingham on July 28, found no difficulty in following up in better company at Yarmouth last week, and she is the selection.

NEWMARKET
2.15—Calmin
2.45—Vibriato
3.15—French Harmony**
3.45—Queen Anne
4.15—Pleasure Lane
4.45—Jujube

GOODWOOD
2.00—Crusty Shah
2.30—Peta
3.00—Caesar's Flame***
3.30—Persian Breeze
4.00—Hill Moss*
4.30—Highest

TV/Radio

BBC 1

† Indicates programme in black and white.

10.00 a.m. Wacky Races. †10.10 Robinson Crusoe. 10.35 The Record Breakers. 1.00 p.m. Gynfas. 1.30 Along the Trail. 1.45 News. 2.20 Racing from Goodwood. 4.23 Regional News (except London). 4.25 Play School. 4.30 Natural Break. 5.00 Scooby Doo. 5.40 Sir Prancelot.
5.45 News.
6.00 Nationwide (London only).
6.25 The Disney Adventure.
7.55 The Liver Birds.
8.25 The Other Broadway: Teresa Brewer, Frank Gorshin, Marty Allen, Kamahl.
9.00 News.
9.25 Beneath the News.
9.55 The Kojak Movies.
11.30 Nairn's Journeys.
12.00 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—6.00-6.25 p.m. Wales To-day. 6.25-6.55 A Question of Sport. 6.55-7.10 Heddiw. 7.10-7.40 Bod. 7.40-7.55 Cartoon Time. 12.00 News of Wales.

Scotland—6.00-6.25 p.m. Reporting Scotland. 11.30-12.00 Nairn's Journeys. 12.00 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.25 Scene Around Six. 12.00 Northern Ireland News Headlines.

England—6.00-6.25 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.30 Newsday.
7.45 Living on the Land.
8.10 The Great Orchestras: The Vienna Philharmonic Orchestra.
9.00 Hanna Reports.
9.25 The Money Programme.
10.15 The Carnforth Practice.
11.05 News Extra.
11.25 Closedown: Georgine Anderson reads "Flower and Jar" by Robin Skelton.

LONDON

ANGLIA

ATV MIDLANDS

GRAMPIAN

GRANADA

HTV

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20-4.50 Cestyll Cantamil. 6.00-6.15 Y Dydd.

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

YORKSHIRE

RADIO 1

RADIO 2

RADIO 3

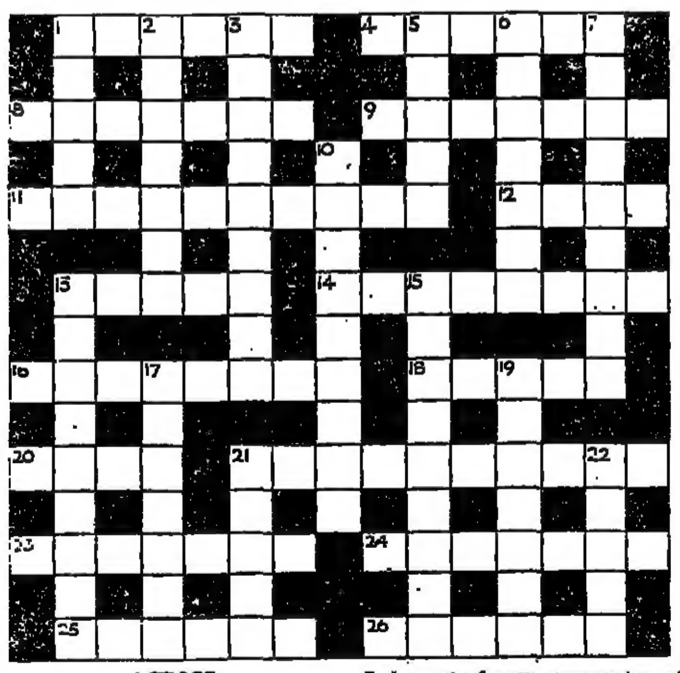
RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 2,861



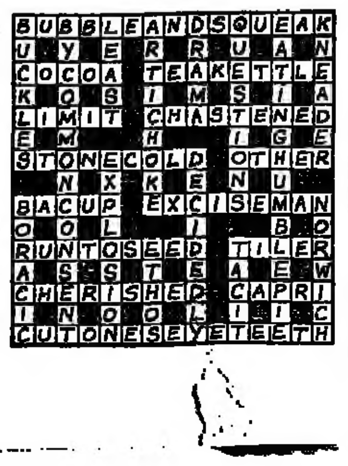
ACROSS

1 Prepares defence in order to understand offence (4, 2)
4 He's in the front with driver delivering (6)
8 English poet makes a sound hospital doctor . . . (7)
9 . . . except to stop phone call (7)
11 Recoil sharply when well behind (6, 4)
12 Poetry of places (4)
13 Bet he's a joker about to come back (5)
14 Part of the family connection (8)
16 Side by side apparently heading for distant meeting (8)
18 Key taken by 14 with a wasted look (5)
20 Can youthful beginner be so small? (4)
21 Awful state fair to get through (6, 4)
23 Girl who draws a fishy conclusion (7)
24 Creature for staff to whip (7)
25 Money in the plate (6)
26 Olive is very drunk (6)

DOWN

1 Doctor ought to work until decline (5)
2 Young bird giving energy to cast (7)
3 Opening in one month on Russian mountains (9)
5 A want of some expression of regret (5)
6 "The temple haunting ——" (Macbeth) (7)
7 Child minder has attempt at making butter (5, 4)
10 Carving comes to bachelor's assistance (3, 6)
13 Dress in one cape for fatigue (9)
15 Cat food gets striking bedtime signal (6, 3)
17 Deplorably low standard article by sergeant-major on a student (7)
19 Many a mute pen is troubled (7)
21 Vanity of many lions (5)
22 Pulls up the turf (5)

SOLUTION TO PUZZLE No. 2,860



APPOINTMENTS

COMPANY NOTICES

GESTETNER

Dividend shareholders will receive 6.2756% Interim dividend on 12th September 1975. Capital Shares will be despatched on or before 25th September to holders of Capital Shares registered on 14th August.

	Ordinary	'A' Ordinary
Based on an average price of	130.588p	130.588p
for each share held, holders will receive	.018483 of a share	.018483 of a share

G. B. KENT & SONS LIMITED

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CONTRACTS AND TENDERS

NOTICE FOR OFFSHORE DRILLING SERVICES

Petróleo Brasileiro S.A.—PETROBRAS, a state-owned oil company in Brazil, is in need of the following oil well drilling equipment, on a contract basis, for operations on the Brazilian continental shelf:

A)—1 (one) JACK-UP DRILLING UNIT with maximum operating water depth in the range of 150 to 250 feet and rated for drilling wells down to 20,000-25,000 ft. Cantilevered-type platform will be preferred.

B)—2 (two) TENDER-ASSISTED RIGS with the following requirements:
—water depth up to 200 ft.;
rated for drilling in the range of 14,000 to 16,000 ft.;
—equipped with flume tank;
—skid frame designed to allow moves of 15 ft. lengthwise and broadwise;
—operating on 20 ft. and 40 ft. skid-beams and on 40' x 40', 50' x 50' and 70' x 70' upper decks.

Contractual term:
—3 (three) years for the JACK-UP;
—2 (two) years for the TENDERS.

Startup:
—until January 1st, 1976.

The contract shall comprise chartering, operation, drilling services and related work.

Companies will be invited to submit their proposals, after the selection made by PETROBRAS, based on the following documents:

a)—a list of services rendered in offshore operations;
b)—a list of equipments in operation, showing type, capacity and places where they have operated;
c)—technical specifications of the equipment to be offered, construction and/or reconditioning year and availability date.

These documents will be confidentially treated by PETROBRAS, and should be addressed until next September 5th to:

PETRÓLEO BRASILEIRO S.A.—PETROBRAS
DEPARTAMENTO DE EXPLORACÃO E PRODUCÃO
Avenida República do Chile, 65—14° andar—ZC-06
Rio de Janeiro—RJ—20.000
Brasil

Additional information may be obtained from PETROBRAS foreign offices, as follows:

PETROBRAS/ESNOR
New York Office
1221 Avenue of the Americas, 22nd floor
New York, NY 10020
Phone no. (212) 869-3100

PETROBRAS/ESLON
London Office
77 South Audley St., 2nd fl.
London W1Y
Phone no. (01) 499-7542

PETROBRAS/ESCEU
Central European Office
19 Avenue Montaigne
75008 Paris—France
Phone no. 266-6733

THE GOVERNMENT OF THE REPUBLIC OF KOREA SEOUL, KOREA

INVITATION FOR PREQUALIFICATION FOR BUSAN PORT CONSTRUCTION PROJECT

Republic of Korea: The Busan Port Authority of the Ministry of Transportation of the Republic of Korea is presently pre*qualifying construction contractors for the construction of* new port facilities at Busan Port. The project will be let on the basis of a unit price lump-sum contract, for all procurement and erection. The project will be financed jointly by the Korean Government and the International Bank for Reconstruction and Development (IBRD). Applicants for prequalification must be from countries which are members of IBRD or from Switzerland and only prequalified contractors will be offered "Invitation to Tender." The project, a new coastal ferry terminal, will consist of the following major parts of work: Two finger piers with a combined area of approximately 6,200 square meters of reinforced concrete deck supported on piles; approximately 5,800 square meters of asphalt cement paving; *approximately 3,320 square meters of* single and multi-story reinforced concrete buildings and the installation of utilities including sewer, water, and electrical distribution system.

Contractors with previous experience in similar type of works wishing to prequalify individually or as joint venture should write to the Consultant requesting prequalification documents and enclose five (5) copies of the articles of incorporation of the company organization, financial statements and summaries of construction experience. Prequalification documents will be available starting 2nd September, 1975, and the completed prequalification documents in five (5) copies in English (Korean Contractors must submit five (5) copies in both English and Korean) will be accepted no later than 14th November, 1975, in the office of the Busan Port Authority 46-63, 3rd Street, Daechang-dong, Dong-ku, Busan, Korea.

Any question which may arise concerning the documents prior to their submission should be directed to the office of the Consultant, Lyon Associates, Inc., P.O. Box 559, Gwang Hwa Moon, Seoul 110, Korea.

Director General,
Busan Port Authority,
Ministry of Transportation.

APPOINTMENTS WANTED

LEGAL NOTICES

Cinema

Public faces in private places

by NIGEL ANDREWS

Smile Edinburgh Film Festival
The Eiger Sanction (AA) Empire
Universal Pictures National Film Theatre

A "Young American Miss" Beauty Pageant is being rehearsed and staged in a small town in the United States. The contestants are a group of clean, ambitious, bright-eyed girls from different parts of America. The organisers are an expansive, toothy car salesman (Bruce Dern), and a well-groomed, fortyish housewife (Barbara Feldon) whose special talent is for putting a good face on every crisis in her life—from the ups and downs of the pageant itself to the social embarrassment of *her marriage to an alcoholic.*

Spinning in and out of the orbit of the big event are a temperamental choreographer *(Michael Kidd): a little boy*—Dern's son—whose punishment for taking snapshots of the contestants through their dressing-room window is to be packed off to a psychiatrist: and a masonic brotherhood called the Exhausted Roosters, whose initiation ceremonies are held at night in the local park and who number Dern among their leading votaries.

The Books Page is on Page 8

Entertainment Guide on Page 6

Chosen as the opening film in this year's Edinburgh Film Festival, Michael Ritchie's *Smile* is the wittiest and most lethally deadpan picture of small-town *life since Milos Forman's The Fireman's Ball.* Like the Czech director's film—to which Ritchie himself acknowledges a debt—it *portrays the behind-scenes* joys and agonies of an amateur talent contest. Like Forman's film also, it shows how the ideals celebrated in a big public jamboree are mirrored, or lopsidedly parodied, in the behaviour of the community in which it takes place.

Ritchie, you may remember, made *Downhill Racer* and *The Candidate*, two films that turned a beautifully sour, sidelong glance at the personal doubts and promotional hypocrisies that lie behind big competitive events (whether in sport or politics). *Smile* is very much the same mixture: the only difference being that it has no central character around which to pivot its story (as those two films had heroes played by Robert Redford) and is built more as a series of loosely connecting sketches. The strenuous glee of the talent show (staged for real by Ritchie, who later used what he wanted for his film) is cross-cut with vignettes of small-town life which illustrate the Americans' determination to preserve a bright, hygienic optimism in the face of every personal calamity or humiliation.

The film *see-saws* between tragedy and farce. Dern's co-director, having had a pot shot taken at her by her drunken husband, turns up for the Beauty Pageant in an impeccably-tailored sling. Dern's camera-happy *son,* victim of an America that hasn't heard of Freud, and probably doesn't wish to, is branded a pubescent Peeping Tom and laid out for examination *on the* psychiatrist's couch. Most tellingly of all, the alcoholic husband, cajoled by *Dern into joining the Exhausted* Roosters, has no sooner seen what the initiation ceremony involves—kissing the rear end of *a chicken—than he exits* screaming from the meeting—returning home to find not tea and conjugal sympathy, but a wife who has just shampooed the carpets and tersely requests him to walk on the paper runners.

The only people to question the values of this society are those who are already crumbling beneath it. It is the fittest who *survive to call* the tune, and the all-conquering glee of the talent contest bears witness to the source of their strength. Ritchie's camera misses none of the details here: the *cut*-throat rivalry that exists behind the girls' sweet, switched-on smiles; the way they gang up together to humiliate one too-ambitious girl; the joyless proficiency of their individual talent spots. The film's sly comedy never slips into caricature, and Ritchie blends the two parts of his story together—the pageant and the scenes from Small Town Life—by filming both in the relaxed, cinema-verité style familiar from *his earlier work.*

Ritchie's film has its British premiere in Edinburgh on Sunday, August 24th: and it is not the only good thing in this year's festival programme: In addition to a sound cross-section of films *from this year's major European* festivals, Edinburgh is staging several interesting retrospective events. Martin Scorsese, Alain *Robbe-Grillet and Shuji* Terayama are the contemporary directors chosen for special tributes (each will be visiting Edinburgh); and there are also seasons devoted to Brecht And The Cinema, and to the work of veteran Hollywood director Jacques Tourneur. The festival lasts from August 24 to September 6, and looks to be well worth a trip north of the border.

Clint Eastwood in 'The Eiger Sanction'

*

The Eiger Sanction—directed by and starring Clint Eastwood—*is a big, slow, ruminative* thriller about an American intelligence agent's attempt to nail an enemy assassin by joining him in a climb up the north face of the Eiger. The assassin is one of the agent's *mountaineering colleagues,* but he doesn't know which one. The group is gradually whittled down by a series of bad-weather *climbing accidents,* but *just* when our hero is beginning to think that nature has done his job for him, the villain turns out to be alive and well and waiting for him at the bottom of the mountain.

The villain's identity is the one surprise in the story, so I won't spoil your enjoyment by revealing it. For the most part, *the film adds up to a long* and ponderously predictable 118 minutes, combining heavy doses of panoramic scenery with a line *in cardboard supporting characters* that rivals the James Bond series, from which Eastwood's film appears to draw much of its inspiration. The film takes an unconscionably long time to reach its climax: most of the two hours traffic of the story being taken up with briefing sessions back home—in which we are introduced to such colourful characters as Eastwood's negro girl friend and albino intelligence boss—and a *training stint in Arizona which* allows Eastwood the director to pay tribute to John Ford country in a series of spectacular and gratuitous helicopter shots. While an improvement on Eastwood's last film, the generation-gap soap opera, *Breezy,* it is a long way from the hard-edged promise he showed in his first, *Play Misty for Me.*

The National Film Theatre's three-month tribute to Universal Pictures—part one of a 130-film retrospective to be completed *next year—is* a *piece of* inspired timing. The American studio's latest hit, *Jaws,* is currently running amok across the U.S., swallowing one all-time box office record after another (the latest copy of Variety shows just two to go—*The Godfather* and *The Sound of Music*); and you only need to remember that Universal's recent output also includes *The Sting* (fourth biggest money-maker of all time) to realise that, while other major American studios may be tightening their belts, Universal Pictures is currently smiling all the way to the bank.

A look at Universal's history *gives one some idea of the* studio's record of success. Not only is it the oldest surviving Hollywood studio (founded in 1912) *but it owes its longevity* not to a play-safe policy but to a consistent appetite for risk and innovation. Dracula and Frankenstein were born at Universal: Welles, Ford, Hawks, Hitchcock and Kubrick made some of their most original films there: and the lunatic fringe of Universal's stock company included such deathless talents as Maria Montez, Flash Gordon, *Woody* Woodpecker and Francis the Talking Mule.

The National Film Theatre *season is well up to the standard* of their recent tributes to Paramount and Warner Brothers. There is a generous sprinkling *of familiar* titles *(All Quiet On The Western Front, Touch of Evil, Marnie, The Front Page)* but the emphasis is as much on neglected curios as acknowledged classics. A brace of rarely shown Stroheim films, for example—*Foolish Wives* and *Blind Husbands:* a flying picture by John Ford, *Air Mail: The Man Who Laughs,* least well known of the Hollywood films made by German expressionist director Paul Leni: and *His Butler's Sister,* a Deanna Durbin vehicle *directed by* Frank Borzage, which was left out of the recent season devoted to that director's work.

Albert Hall/Radio 3

BBC Scottish

by RONALD CRICHTON

The encouraging standard set by the BBC Northern and Welsh Symphony Orchestras at recent Proms was maintained on Wednesday by their brethren from Scotland. Under their chief conductor, Christopher Seaman, they played Debussy, Mozart, the *Stone Litany* of Maxwell Davies and, after the interval, Elgar's Enigma Variations. Davies' *Litany,* commissioned by the Scottish Orchestra and Glasgow University, is a remarkable outcome of the composer's retreat in the Orkneys. It was well worth bringing to the Proms. The atmosphere, if not exactly benign, is calm for a composer who can be aggressive and rebarbative. It *shows the effect* relics of primitive civilisation can still have on a sophisticated modern sensibility.

The stones are those of the chambered tomb at Maeshowe. Runic inscriptions cut on them by Vikings form the point of departure for the mazy voice part, half vocaese, half word-setting. There is a link with English (and other) nature music of the late romantic period, which might alienate those who admire Mr. Davies above all for the thorns, spikes and parodies of certain other works of his. But the nature music has been assimilated into his marrow. It has formal strength and individual colour *and texture—perhaps it is facile* to think of lichen, pebbles, straggly moss or low, tough-stemmed shrubs but it is a treat to have the imagination stimulated in such a way.

The score calls for a mezzo-*soprano. Jane Manning, who de*livered the solo part at this performance looking like a saffron-robed priestess. She can manage with equal authority the clicks and burrs of the fragmented writing and the airy cantilena of the more normal phrases—though she is not a mezzo, the low-lying music seems to give her little difficulty. The orchestra sounded well-prepared. Small details (the soft, rising string chords near the beginning hardly registered while from my seat the timpani were virtually inaudible) detracted little from the general effect.

Mr. Seaman showed his concern for balance in *Debussy's Iberia,* where his approach was determinedly linear, yet it was not this that lessened the usual magic so much as bandmasterly rhythm in the first part and deliberate speeds for the finale, suggesting an outing *of old campaigners.* The central nocturne, which one might expect to be the most vulnerable to such treatment, stood up surprisingly well.

There was most musical phrasing in Mozart's E flat Piano Concerto K449, whose orchestral writing is the more wonderful for being so simply scored. Even *the oboes and horns, which are* all Mozart allowed himself apart from strings, are used sparingly. The soloist was that superior Mozartian, Walter Klien, except in the finale a hair's breadth too uncompromising in his disinclination to let the themes sing out more fully. The Albert Hall is a large place for this intimate concerto.

Coliseum

Der Rosenkavalier

by MAX LOPPERT

(But why on earth the German title for an English-language performance of Strauss's opera, in a theatre where *The Magic Flute* and *Twilight of the Gods* are so named?) On Wednesday, at the opening of the current revival of John Copley's production, the English National Opera offered us an entirely new Octavian, and an Ochs new to London. Their performances were somewhat tentative in effect, sketches for *the fuller* and more settled interpretations one hopes will follow.

Sandra Browne, slender, hand*some, striking in both pose and* movement, gave a promising, uneven performance in the title part. The ear was immediately drawn and intrigued, in the opening scene, by the cool, distinctively focused, athletic tone, cutting through the plush in a manner given to few Octavians. Sometimes the cut was near to sharpness, of pitch as well as timbre: on several occasions, notably in the Presentation scene, and with her very last note of the evening, Miss Browne overshot the mark. She is very good at catching with the jerk of a leg or arm the kaleidoscope of impulses and emotions of the *part: as yet this variety is not* often mirrored in the phrasing, or in the voice. One picks at the faults of a likeable first performance only because Miss Browne is a singer who arouses high expectations. The juxtaposition of a black Octavian and a black Mohamed provoked fleeting speculations as to their possible ties of kinship.

Her adversary was played by the capable Dennis Wicks, broadly though not to the point *of irritation, and also not yet* with any particular distinguishing mark on the comedy in a way that might herald a new *Ochs of unusual merit. He has the* low notes, firm if not tuba-like. The other principal roles were, as last year, taken by Anne Evans and *Valerie Masterson.* Miss Evans's Marschallin looks well, but not right—rather as she sounds. She has not mastered the ability to melt the conversations on her tongue, or learnt to turn on the sumptuous eiderdown warmth of tone at those crucial points where the character is in danger of appearing patronising, or snobbish, or self-pitying. Valerie Masterson's Sophie, pretty and poising soft high notes with a Yogi's relaxed ease, seems less enchanting than when the *production* was new, a little withdrawn and self-possessed.

If one goes on about the per*formers, that is because Der Rosenkavalier* is an opera dangerously dependent on the illusion of magic purveyed by its principals. There seemed on Wednesday not a great deal of magic about to help those long hours pass lightly, or to oil the creaks out of the gigantic machinery working the music. Charles Mackerras was, as conductor, responsible for a sensibly paced and placed account in which the sound felt paradoxically cumbersome. David Walker's sober-shaded sets, at once heavy and cardboardy in appearance, are not to my taste at all. Miss Evans's costumes serve unhappily to emphasise the clean lines of her carriage, the heroism of a bearing that looked ideal as Elsa. Altogether, a feeling of boredom was hard to escape. Later performances may well tell a different tale.

'Venus and Superkid'

Venus and Superkid, Richard Crane's rock musical for children (and others) which was enthusiastically reviewed on this page when it was playing at the Arts, has now moved to the Round House, where the produc*tion is opened out to take* advantage of the extra room and other amenities in this big and unconventional theatre.

Letter from Tuscany

Barga and Batignano

by WILLIAM WEAVER

No music-lover spending the summer in Tuscany can com*plain of lack of music* these days. Festivals are springing up, well, not like mushrooms (this has been a bad year for mushrooms), but like some less capricious, hardy perennial. At Montepulciano, the tenor Mario Del Monaco, his son, and Hans Werner Henze—unlikely trio—are organising a new festival. Older ones are still going strong in Arezzo, Siena, Lucca (to say nothing of Florence), and every good-sized castle seems to be re-echoing with guitar recitals *or chamber* music.

In this wealth of musical opportunity, Opera Barga, which has just reached the age of ten, can be considered a veteran. Actually, though it calls itself a "Festival lirico internazionale," Barga is a summer school where, for less than £100, young singers, conductors, and instrumentalists can come and study for a month *or so.* Barga *is a lovely, cool,* isolated town, and it should be an ideal place for studying. The "festival" is, in reality, the *school-leaving exercise, at which* the best students are chosen to perform. In the past, some of these students have been very good (*the* young baritone Sigmund Cowan, praised on this page last year for his impressive Michele in *Il tabarro,* has already gone on to the great world). But it is difficult—and perhaps unfair—to judge Barga's productions by the same standards one would apply to professional performances.

This year, Barga staged two operas (Scarlatti's *Il trionfo dell'onore* and Donizetti's *Don Pasquale*), which I was unable to attend. I did go, however, to a Satie-Ravel evening, a double homage, commemorating the 50th anniversary of Satie's death and the centenary of Ravel's birth. The programme included a concert performance of Satie's *Socrate and two groups of Ravel* songs with chamber accompaniment, the *Chansons Madécasses* and the *Trois poèmes de Mallarmé: None of these works* is heard often in Italy (the Satie is an authentic rarity), but the Barga musicians were, unfortunately, out of their depth, and what looked, on paper, like an interesting event, was more of a trial than a pleasure.

In the first place, the student musicians who accompanied the singers could not produce the suave, nuanced sounds the music demands. And, with one exception, the singers ranged from adequate to inadequate. The exception was the soprano Benedetta Pecchioli, who sang Alcibiade in *Socrate* and the *Madécasses* songs.

She is a handsome girl, with a good, warm voice, and musical intelligence (she got carried away in the second song, arriving *almost at an unidiomatic verismo* violence): a singer to watch. Maria Teresa Rocchina, as Phèdre in the Satie, was miscast but not unpleasing. But Marietta Dean, the Phèdon, perhaps because of nerves, could give little more than a wan idea of "la mort de Socrate," the crucial section of the work. Similarly, Marissa Brumby, in the Mallarmé songs, was often inaccurate and overly aggressive.

Colette Berthou, conducting, could do little to make the accompaniment of the Mallarmé sound interesting; she had better results with the Satie, where her inflexible beat was apposite for *the wilfully unemotional music.*

I should add that, over its nine years, Barga has developed a sizeable and devoted audience, *who warmly applauded the young* artists.

The much younger (now it is two years old) "Musica nel chiostro" at Batignano, near Grosseto, has yet to spread the *word of its activities—it would* help if they had a telephone—and so, the night I went, there was a less than capacity crowd.

The cloister is the focus of a convent, long abandoned, which the British designer Adam Pollock bought some time ago and is restoring. Naturally, he realised the place's theatrical possibilities, and last year presented *Dido and Aeneas* there. This year his choice fell on Cavalli's *L'Ormindo,* a work well suited to the site.

Mr. Pollock was obviously inspired by Glyndebourne, and many of his collaborators in this enterprise came from there. The edition *of the opera* used *was* Raymond Leppard's, in a smaller orchestration by Leppard's sometime assistant Henry Ward, who *conducted. The more austere* string sound was welcome, and the musicians played well, though Ward's conducting was impersonal, almost uninflected. Pollock designed colourful Oriental costumes, and Patrick Libby—the producer—skilfully exploited the convent's possibilities. *L'Ormindo* was given in three acts, the first and third in the cloister, the second in a spacious, if dusty nearby barn.

The singing was thoroughly professional and, generally, enjoyable. Silvia Baleani, of the Colón of Buenos Aires, was the only non-Britisher in the cast, and understandably, she sang the Italian words with a clarity and sensitivity most of the others lacked. Her Erisbe was appropriately varied, deliciously light-hearted in the first act, noble in the quasi-death scene in the last. Eiddwen Harrhy, the Sicle, was equally charming and musical (particularly impassioned in the central duet with Amida). The Amida was the young baritone Peter Knapp, who recently sang Szymanowski's *King Roger* in London: the voice is well-schooled, but somewhat manufactured and unexciting, however deftly em*ployed. John Wakefield,* who has sung the title role at Glyndebourne and in the Argo recording, is no longer able to meet the music's demands with ease, but he compensated by acting soberly and tastefully. There was solid, attractive singing from Malcolm King as Ariadeno, and the other roles were adequately handled.

European Jazz Federation to meet in Nancy

The next general assembly of the European Jazz Federation will be held in Nancy, on October 16-19. The Nancy Jazz Pulsations '75 will be the host of the event.

It will be the second general assembly since the EJF's consti*tutional conference in Venice* in May 1969. On the agenda will be organisational matters, one being the change of the name from the European to the International Jazz Federation. Also the election of the new Board is scheduled.

Details about the general assembly are obtainable from the EJF Secretariat General, P.O. Box 671, A-1011 Vienna, Austria. Programme of the festival is available from Xavier Brocker, 2 rue Frederic Chopin, F-54000 Nancy, France.

Cockpit

A Sight of Glory

by B. A. YOUNG

This is another piece well laid out for the National Youth Theatre. The scene is the gymnasium of an East End boxing club, where a score of boys are being trained. Some of the better ones will fight in the ABA finals at Wembley, possibly win their fights, perhaps turn pro. Others are just there for the companionship. Barrie Keeffe, the author, has caught the character of boys' club conversation perfectly, and the handful of individuals involved in the development of the simple but dramatic plot are sharply drawn.

The boys (there are no girls) seem to act better at the Cockpit *than at the Shaw. Under Michael* Croft's direction they are confident and relaxed, and some of them show that special quality which I like so much in young players, a complete absence of any professional mannerism. I specially liked Tom Thompson (whom I remember here last year) as the boy who only boxes for fun and contracts some indisposition if there's any risk of being taken seriously. Michael Ford is the star boxer, who reaches the ABA bantamweight *final: Bill Buffery* is another star, but is cut in a fight with a black boy (Tony Gouveia) who has seduced his sister. All give enjoyable performances, the most interesting being Tony Gouveia's, since his character is susceptible of real development, from wild layabout to teenage imitation of Muhammad Ali.

The plot doesn't really matter much; it is the atmosphere that counts, and this is bang on. The play slows down rather when characters from the older generation are brought in, an ambitious father with an imaginary record of boxing success, a drunken *tramp with a true record, both of* them pretty tedious folk despite the work their actors put into them. On the whole, though, this is an admirable evening both for the audience and the players.

Open Space

Rosalind

by MICHAEL COVENEY

As a lunchtime curio, J. M. Barrie's short play might recommend itself to anyone interested in the plight of Edwardian actresses in search *of a middle-aged self to fend off* the encroaching demands of Father Time. Mrs. Page (Penny Stehli) is such an actress, and one can only suppose that Barrie, who married a thespian in 1904 (only to divorce her a few years *later) is here playing* with the discordance between what he saw on the stage and what he knew in the home. Mrs. Page's years are just about established in an opening scene with her landlady (Richenda Carey) when, with a creak of plot development, a young blood on a walking tour just happens to call by and rhapsodise over a photograph on the table.

What Charles (Edward Seckerson) sees is a picture of an actress he has adored from afar and, he claims, a bit closer than that. The girl is Mrs. Page's daughter; although the daughter is merely the onstage manifestation of Mrs. Page herself. The arch, out-dated dialogue leads us on to learn of Mrs. Page's devotion to her profession, the ruining of her womanhood in the cause of her art. What must have once seemed acceptably sentimental comes across as hollow claptrap. Summoned to repeat her enchanting perform*ance as Rosalind in As You Like It,* Mrs. Page waltzes out the door, dressed in radiant white and oblivious to the loyal protestations of her admirer.

The play is less accomplished than many of the other short pieces of this author; and its curiosity value is still further reduced by the stilted quality of James Mason's production, uneasily enacted in front of the trampoline setting of the evening show. (The Marowitz *Hamlet* has transferred to this address from the Bankside Globe.)

WORLD TRADE NEWS

Warning on British missions to N. Zealand

By Dai Hayward

WELLINGTON, August 21.

MANY BRITISH trade missions to New Zealand have wasted their time because they have concentrated on the wrong products, Mr. Arthur Day, director general of the British Institute of Export, said here. He is visiting New Zealand to meet his opposite numbers in Auckland and Wellington.

Mr. Day gave a warning that future delegations must change their thinking towards New Zealand markets. "Some visiting British trade missions here have been wrongly composed," he declared. "No consumer product companies should take part in such missions as they will be wasting their time."

Consumer durable exporters should concentrate instead on joint ventures with New Zealand companies, he said. Mr. Day believes there is a big potential for such joint venture agreements.

Capital goods and raw material suppliers could also be effective in the New Zealand market. "New Zealand industrial companies which are constantly improving their share of world market are also interested in the export of industrial 'know-how,'" he commented. Mr. Day believed there was scope for more British activity in that field.

Venezuela may be a major oil supplier to Japan

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, August 21.

VENEZUELA COULD emerge as one of Japan's major oil suppliers and a highly important market for Japanese goods following the visit to Caracas this week by Mr. Takeo Fukuda, the Japanese economic "overlord" and director general of the Economic Planning Agency.

Japan has been an insignificant importer from Venezuela up to now although last year exports to Venezuela more than doubled to $398m. However, both countries appear interested in negotiating a long-term agreement which could give Venezuela up to 10 per cent. of the Japanese crude oil market.

The figure of 10 per cent. was mentioned as a possible target by Dr. Valentin Hernandez, the Venezuelan Oil Minister, on a recent visit to Tokyo. If that level of business was reached, Japan might be absorbing as much as one-fifth of Venezuela's oils exports.

Japan has been anxious to diversify its sources of oil away from the Middle East ever since the 1973 oil crisis but has so far made relatively slow progress in finding other suppliers. Venezuela's oil industry has up to now been largely in the hands of the international majors so that the Venezuelan Government has not been in a position to exercise control over the destination of oil exports.

From the end of 1975, however, the industry will be nationalised so that a large-scale long-term agreement with Japan becomes a practical possibility.

Venezuela as an important holder of oil dollars, is understood to be interested in investing in Japanese equities and possibly in other forms of financial co-operation with Japan. The republic has already deposited oil dollars with the London branches of Japanese banks, following the example set by Arab oil exporting countries last summer.

The third major field for co-operation between the two countries lies in Japanese plant exports and participation in Venezuelan industrialisation. Japanese companies are expected to be bidders for some of the Caracas subway contracts which are due to come up for tender in the near future.

Kobe Steel has declared its intention to bid for an oxygen manufacturing plant which forms part of the expansion programme of the Venezuelan steel industry. Japan has a 20 per cent. stake in the Venalim aluminium project which is due to be implemented shortly.

The Venezuelan government has gone out of its way recently to stress its awareness that Japanese companies are increasingly looking for overseas sites for heavy industrial development now that Japan is becoming overcrowded and short of labour. Venezuela is clearly anxious to get its share of this type of Japanese overseas investment.

Sweden cuts steel prices to counter order fall

By William Dullforce,

STOCKHOLM, August 21.

THE SWEDISH steel works reduced commercial steel prices this week in an effort to reverse the rapid decline in new order bookings. List prices for universal steel plates were cut by Kr.25 (£2.75) per ton plus a temporary rebate of Kr.185 (£20.32) per ton. Reinforcing bars are offered at a temporary rebate of Kr.150 (£16.48) per ton, while the base price for beams has been lowered by Kr.80 (£8.79) per ton.

The list price adjustments are in fact no more than indicators, as steel industry sources report that works have already been aligning their prices heavily downwards in order to compete with the lower prices offered by European and Japanese mills.

There have so far been no changes to the list prices for special steels, but Swedish companies are very worried about the request by the British Independent Steel Producers' Association to the EEC Commission for application of a ceiling on imports of Swedish special steels.

The latest available figures, for May, showed a fall of 32 per cent. in new steel orders, but the most recent survey, covering 17 companies, conducted in July by Veckans Affarer, the economic weekly, indicated that the Swedish steel industry has been weathering the world market recession better than most of its foreign competitors.

ASIA'S NEED FOR CHEMICAL FERTILISERS

UN forecasts self-sufficiency by 1985

BY DICK WILSON

A GROUP of international experts meeting in Bangkok has predicted that Asia and the Pacific could become self-sufficient in chemical fertilisers within ten years. Mr. M. C. Verghese, head of the fertiliser section of the United Nations Industrial Development Organisation (UNIDO), claimed that "with regional co-operation in production and trade the Asian-Pacific region can become self-sufficient in nitrogen fertiliser in the next five to ten years."

A UN mission has recently toured 13 countries in the region to assess the opportunities for co-operative production of chemical fertilisers. Its report, completed at Bangkok will be considered at an inter-governmental meeting organised by the UN Economic and Social Commission for Asia and Pacific (ESCAP) to be held in Bangkok during September.

Mr. Princy H. Siriwardene, deputy executive secretary of ESCAP, told the meeting that fertiliser output in the region would expand greatly over the next few years, "providing the physical capacity to achieve a balance between supply and demand by the early 1980."

He gave a warning to Asian governments to be highly cost-conscious. "In the case of plants recently constructed or planned during a period of extraordinarily high world fertiliser prices, it is very difficult to determine whether the cost structures of new industries in the developing countries will permit their products to be competitive with those produced in developed countries," he declared.

Governments in the region might "turn from dangerous dependence on the vagaries of the international market, to the development of high-cost local industries which neglect opportunities for intra-regional trade, specialisation, complementarity and other forms of co-operation."

The upshot of the various plans is that the U.S. and Western Europe may lose their export markets for fertiliser in Asia and the Pacific. The Asian market for potash fertilisers alone is worth $100m. a year.

The problem of fertiliser supply is particularly acute for the developing countries in the region, and considerable interest attaches to the plans for the fertiliser industry in South East Asia, where there are both funds for investment and a need for fertiliser, but where "know how" is lacking.

Mr. Radius Prawiro, the Indonesian Minister for Trade, has said that Indonesia should have adequate fertiliser supplies to meet its needs in the next two years. This will be accomplished by completing the Pusri-3 fertiliser works at Palombang, and by two floating fertiliser factories which are being constructed in Europe for Pertamima, the Indonesian State-owned oil corporation.

The two floating plants, converted from former ore-carriers, will make ammonia and urea from natural gas, one off East Kalimantan and the other at Jatibarang in West Java. They will take off-shore natural gas direct from the drilling site and convert it into fertiliser at sea. The cost of the two floating factories is estimated at $200m.

The Pusri plant is a $2m. urea unit to be built with Kurose Chemical Equipment, Osaka. It will also use natural gas, and will have a daily capacity of 1,725 tons of urea.

The Philippines recently placed a temporary import ban on chemical fertiliser because of surplus equivalent to over nine months' supply.

Annual demand in the Philippines has grown during this decade by an average annual rate of over 20 per cent., and by 1978 it is projected to reach 1.7bn. tons.

To meet this demand, Atlas Fertilizer is expanding production with an investment of Pesos 348m. (£21m.). The new capacity is expected to be operational by the end of 1977, producing 168,400 tons of compound fertiliser combining nitrogenous, phosphatic and potassic fertilisers.

A Singapore investment group has recently approached Multinational Investment Bancorporation in connection with proposed fertiliser production.

Expansion

Thai Agrico, in which Mitsui and the Williams group of the U.S. are partners, has invested Baht 650m. (£15m.) in an expansion of the fertiliser plant operated by Thai Chemical at Phra Pradaeng.

Present production is 120,000 tons, but under the new scheme capacity will reach 600,000 tons. Completion is expected in five years.

Taiwan has offered to set up a fertiliser factory in Thailand under its agricultural aid programme, but this project may be cancelled as a result of the Thai recognition of Peking.

The Taiwan government claims that the Bangkok authorities will proceed with the Taiwan aid projects, some of which have been very successful, but political factors may override this.

Taiwan expects a record fertiliser output of 1.7m. tons this year. Demand is put at 1.3m., giving a surplus of just over 400,000 tons. It has been decided, however, to keep a minimum of 390,000 tons of fertiliser as stock to ensure adequate local supplies.

China Phosphate Industries is building a large phosphate plant near Kaohsiung capitalised at NT$1.46bn. (£17.7m.). This will have four factories, producing phosphoric acid, calcium phosphate, sodium phosphate and sulphuric acid respectively from the beginning of next year. Cocei of France and ABR of Belgium are providing technical assistance and "know-how."

Another Taiwan project is the Chung Tai Chemical Industries Corporation's NT$1.5bn (£18.1m) caprolactam plant, the first to be built in Taiwan.

This is expected to produce 50,000 tons of caprolactam annually beginning this month, with an exportable surplus of approximately 10,000 tons. The plant will also turn out 90,000 tons of potassium sulphate as a by-product.

Raw materials

The prospects for South East Asian fertiliser production have been boosted by recent discoveries of raw materials within the area. One of the most interesting is in North East Thailand of a major carnallite field. Drilling at Udon Thani has found a 145-foot layer of 90°-95° carnallite, and similar finds have been made at nearby sites. It is estimated that five mines could be sunk in this area at an average cost of around $35m., and with an annual production of 1-2m. tons of potash equivalent.

Potash is currently produced almost exclusively in North America and the Soviet Union, and discoveries in Asia transform the prospects for world trade in fertiliser. Sylvite, another mineral rich in potash, has been discovered in Laos by a group of American surveyors, but the political situation in that country rules out early exploitation of the find.

Discoveries of phosphate have been made in Indonesian Borneo, with more than 150 caves each containing about 8,000 tons of phosphate deposits of up to 30° P_2O_5 content.

Mr. Verghese told the Bangkok meeting that new phosphate discoveries in Iran, India, Pakistan, Sri Lanka, Malaysia and Vietnam should be exploited as soon as possible, and on a regional basis. Gas and oil would obviously be given preference as raw materials for fertiliser, but coal and electricity were being increasingly considered where economically feasible.

Bangladesh is anxious to develop its natural gas resources to produce fertiliser, and has invited the co-operation of South East Asian countries, including Thailand. The UN has also recommended fertiliser plant valued at $248m. to be constructed on the basis of regional planning in the South East Asian area. This would comprise a two-unit nitrogenous fertiliser plant based on natural gas, to meet the estimated shortfall in South East Asia of 195,000 tons of nitrogen this year, rising to almost 600,000 tons by the end of the decade.

There would also be a triple superphosphate complex producing 122,000 tons per year of P_2O_5, with corresponding phosphoric acid and sulphuric acid units, to meet a part of the estimated South East Asian shortfall of almost 300,000 tons by the end of this decade. These recommendations have been considered by the five governments in the Association of South East Asian Nations but no action has so far been taken on them.

Japan's urea and ammonium sulphate industry yesterday signed a Y30bn. (£48m.) contract to provide China with 500,000 metric tons of urea and 220,000 tons of ammonium sulphate for delivery by January 31. Prices had not been disclosed. The contract calls for a 60-day usance finance period and settlement in U.S. dollars. Local reports indicate the urea price is less than Y50,000 (£80) per metric ton f.o.b., which would be about Y25,000 less than the price quoted for the same type of fertilisers delivered to China during the preceding six-month period.

AP-DJ

AMERICAN NEWS

U.S. lifts indirect trade restrictions on Cuba

WASHINGTON, August 21.

THE UNITED STATES will to-day lift a ban that has prevented foreign subsidiaries of American companies from trading with Cuba, reliable sources said. It will also end a ruling that barred foreign freighters that have visited Cuba from refuelling in American ports, the sources added. A third change will enable the Government to provide food aid to countries that trade with Cuba.

The moves, which follow a decision by the Organisation of American States (OAS) to lift its sanctions against Cuba, were seen here as a major conciliatory gesture by the Ford Administration to the Government of Prime Minister Fidel Castro.

Secretary of State Henry Kissinger recently said that "We are prepared to begin a dialogue with Cuba and once that is in progress, we can judge better what the possibilities are for improving our relationships."

In a significant gesture by Cuba, Dr. Castro earlier this month returned $2m. taken from the hijackers of a Southern Airways airliner in Havana in 1972.

The measures, due to be announced to-day, will enable American multinational corporations to become competitive with their foreign rivals in winning contracts with Cuba.

Overseas subsidiaries of U.S. manufacturers will be permitted to sell to Cuba, sources said. But the ban on export directed to Cuba from plants within the U.S. will continue.

Foreign countries have long complained about the restraints on sales to Cuba by U.S. corporations operating within their borders. Argentina and Canada, for example, have argued that the U.S. has no business trying to regulate the sales of U.S. firms incorporated under the laws of those countries.

Agencies

Declare emergency, Mayor told

BY JAY PALMER NEW YORK, Aug. 21.

CITY OFFICIALS in San Francisco, desperately worried by signs of increasing crime and violence during the second day of their city's police strike, have asked Mayor Joseph Alioto to declare an immediate state of emergency. The Mayor has also been formally petitioned to ask California State Governor "Pat" Brown Jr. to send in State highway patrolmen to maintain law and order.

Despite increasing concern over public safety amid unconfirmed reports of a wave of muggings, lootings and other violent crimes, the Mayor has so far categorically refused to act on either request. An official on the Governor's staff in the State capital of Sacramento confirmed that the Governor was constitutionally unable to intervene without the Mayor's approval.

In addition to the police strike, San Francisco is now also suffering from a walkout by city firemen. Although it is generally thought that this could eventually prove an even greater hazard, so far the impact has been small with such fires as there were handled by emergency teams. At the same time services at San Francisco international airport, America's fifth busiest, were reported normal despite a lack of fire-fighting crews.

The city's battle with its municipal employees centres on demands by both police and fire-fighting unions for pay increases of around 13 per cent. to bring salaries in line with Los Angeles scales. The city so far has refused to consider such large jumps and has offered rises of around 6½ per cent. In one isolated piece of good news yesterday, the city's sanitation and transit unions announced that they were cancelling planned strikes and accepting this 6½ per cent. offer.

Reports from San Francisco over the exact extent of lawlessness remain confused. While it is clear that a bomb exploded outside the Mayor's home (causing considerable damage but no injuries), accounts of widespread looting in the city's mission district have been largely denied. Nevertheless with only 45 non-union policemen to maintain order, crime levels are expected to rise as current 14-hour shifts exhaust efficiency.

Following a move by the American Civil Liberties Union to gain a court order demanding that picketing police are disarmed, some reports from the city indicate an increased willingness by strikers to restart discussions with the city. Although both sides are now reported to be reconsidering previous demands, little hope exists that there can be any quick settlement and return to work.

In a related development the crisis in New York City, which like San Francisco attributes its financial troubles to militant city unions, has moved into the political arena. Yesterday the NYC Board of Estimate (which contains most of the top elected officials) met for the third time this year without Mayor 'Abe' Beame. The meeting apparently held to hear a detailed account of the city's crisis and borrowing needs, represented a clear rebuff to the Mayor who generally has been blamed for not realising the true extent of the city's financial

Nixon fights for tapes

WASHINGTON, August 21.

FORMER PRESIDENT Richard Nixon has told a three-judge court that only he can decide which White House tape recordings relating to the Watergate scandal should be made public.

In a sworn deposition to the court, which will consider his fight for possession of White House tapes and documents, the former President said that only he could maket the delicate judgments to ensure that conflicting needs of history, privacy, and national security were met.

Mr. Nixon is challenging the constitutionality of a law passed after his resignation giving the Government possession of his tapes and documents. He said he would not be satisfied with duplicates of the 42m. documents and 5,000 hours of tape recorings at present being held under court order in Government warehouses or at the White House.

The question-and-answer deposition, which was taken down at Mr. Nixon's home in San Clemente on July 25, is the first time he has spoken on the record since he resigned the Presidency a year ago.

Reuter

Pentagon deal for Saudis

WASHINGTON, August 21.

THE DEFENCE Department has begun letting contracts in the first step in a $200m. programme to outfit the Saudi Arabian army in everything from uniforms to police whistles, officials said to-day.

The contract covers uniforms, shoes, and field equipment—nearly everything the 100,000-man army needs to go into the field. Combat equipment is not covered. It includes the price of the items an da service charge.

The agreement was concluded in 1973. The Defence Supply Agency recently let $30m. in contracts to U.S. clothing manufacturers for the woollen cloth needed for the uniforms.

UPI

CANADIANS DENY CHINESE CLAIM

PEKING, August 21.

CANADIAN diplomats said to-day that they were mystified by a Chinese newspaper report that Soviet bombers frequently flew over Canada. The official People's Daily claimed yesterday that Soviet warplanes were intruding into Canadian air space

Reuter

Spanish bases talks to continue

MADRID, August 21.

TALKS TO renewe an agreement permitting United States military bases in Spain were still hampered by considerable differences, according to informed sources here to-day.

The talks, which had been expected to end to-day, will continue for at least one more session to-morrow, the sources added.

Spanish diplomatic sources warned on Monday that unless Spain could obtain a closer defence relationship with the U.S. it would ask the Americans to reduce their military presence in Spain. The reduction might

Reuter

Army pressure on Peron increases

BUENOS AIRES, Aug. 21.

INFLUENTIAL ARMY officers are pressing Argentine President Maria Estela Peron to sack their commander and her Interior Minister, informed sources said to-day.

If she agrees to get rid of army commander General Alberto Luma Lapiane and Interior Minister Colonel Vicente Damasco, officers ready and willing to stage a coup d'etat will move into a dominant position, the sources added.

Colonel Damasco, Foreign Minister Angel Robledo and navy commander Admiral Emilio Massera, visited President Peron yesterday in the Atlantic coast resort of Mar del Plata, where she is officially said to be resting to complete her recuperation from mental and physical exhaustion caused by overwork during six weeks of political and economic crisis.

Informed sources said that she was told that influential army officers controlling most of the force's firepower had demanded the resignation of General Numa Lapiane and Colonel Damasco. She was said to be studying the matter and an official announcement was expected to-day.

Reuter

Venezuela fund for West Indies

By Joseph Mann

CARACAS, August 21.

VENEZUELA'S multi-billion dollar national investment fund will sign an agreement to-day with the Caribbean Development Bank setting up a $25m. trust fund for development projects in the West Indies.

The announcement was made yesterday by the President of the Venezuelan investment fund, Sen. Constantino Quero Morales. The Venezuelan investment fund will provide the development bank with $25m. that may be used for industrial, agribusiness and export programmes.

This latest loan is part of Venezuela's policy of providing financial support for Caribbean and Central American nations in an effort to win friends in the region. The administration of President Carlos Andres Perez has already made heavy cash commitments to the Inter-American Development Bank, several Central American nations and the World Bank.

Reuter

PINOCHET HAILS 'MARXIST DEFEAT'

SANTIAGO, August 21.

CHILE'S MILITARY President General Augusto Pinochet, has said that his Government had dealt international Marxism a defeat by refusing to let a UN Commission on human rights into this country.

"The Marxist-Leninists had prepared a great show to present this country as a victim of a cruel and bloody repression," Gen. Pinochet said. The refusal to let the UN Commission in last July "crumbled all which had been engineered because everything was false," the military President said.

UPI

THE PACIFIC COMMODITIES EXCHANGE

Down but not out

BY ART GARCIA IN SAN FRANCISCO

WHAT HAD started as an ambitous dream three years ago came close to turning into a financial nightmare at the young Pacific Commodities Exchange in San Francisco. But after a series of cost-cutting moves, including a reduction in management pay, the fledgling PCE believes it is now winning its fight for survival. Although things appeared bleak at the beginning of this year, PCE president Nathan Most looks ahead now with reborn confidence, even though some of the scars of the past year still show.

"I think the experiment's a success, but it has demonstrated several things," he says in reflecting upon the PCE's troubles since it opened for trading in coconut oil in the autumn of 1972. "I don't think it's an accident that no other new regulated commodities exchange has been started in the United States in the past 50 years," he adds. Mr. Most admits the PCE in January considered shutting its doors and going out of business. "We took a look at the possibility," he says. "But our board recognised that if we ever closed this exchange, the difficulty of getting started is such we could never start another one again."

Besides being the first U.S. Government-regulated new commodities market in more than half a century, the PCE when it opened three years ago was the first commodities futures exchange west of Kansas City and the first commodities or stock exchange in the U.S. to offer its shares in a registered public stock offering. It was probably also the most heavily pre-researched new project, with the University of California commissioned by the PCE's early backers to complete a two-year feasibility study of preliminary plans that called for a computerised exchange dealing in western U.S. and Pacific region commodities.

Regarded then as the "exchange of the future," it was to have no pit, ring or trading floor and would be linked by a vast communications network. It would provide split-second automatic execution of orders and would be structured to handle 144m. deals a year within 30 years. Mr. John Gallwas, PCE chairman and one of its founders, concedes he has "come all the way around" on the earlier dreams of a computerised Pacific exchange and finds such a project no longer technically or practically feasible. "In reconsidering my position, I've concluded it's important to have the pits, to have the people there doing the floor trading," he notes. "The computerised idea, as far as I'm concerned, is dead."

> "There are still major hurdles to overcome, not the least of which is a general public mistrust of trading in commodities options . . ."

Convinced that the worst is over, the PCE is now looking for authority from the recently organised Commodity Futures Trading Commission to trade silver futures options. "If we could get that options contract, this place could get to be very busy in a very short time," says Mr. Most.

"Silver options have a tremendous attraction to the public. The same thing that happened with stock options on other exchanges could happen with silver." The PCE, in its quest for new activity, has meanwhile lined up a number of new contracts.

It has been a contract market for futures trading in palm oil since January and it has replaced its 1,000-ounce silver futures contract for western U.S. delivery with a 5,000-ounce contract for New York delivery, taking advantage of the several hours of trading in San Francisco after New York and Chicago markets close. New futures contracts for palm oil and coconut oil trading in 500-long-ton quantities also have been prepared.

These have been submitted to the Commodity Futures Trading Commission for approval as supplementary rules to the PCE's present contracts in 60,000-pound quantities. If approved as submitted, they will be the largest futures contracts ever traded in a U.S. market, says Mr. Gallwas, who found "considerable interest" in the proposed contracts while on a recent swing through Southeast Asia.

Mr. Most says the exchange was profitable from January to June, 1974, but it has yet to end a fiscal year in the black. The original schedule had called for the PCE to be making money by now. In June last year it had reached a monthly trading volume of nearly 3,000 contracts a month but an adverse market that month wiped out five of the exchange's stronger traders within a week, reducing its ranks by a third. "We've had a rough time recovering from that," sighs Mr. Most. "If June hadn't occurred, there isn't any doubt in my mind that from there on we would have achieved a very profitable operation. June set us back a whole year," he says.

With the loss of five floor traders, the PCE also lost liquidity on the floor and the ability to handle incoming orders as well as it should. The exchange at the time was at a point where it could break even with a daily average of 100 trades. "We've cut it down now to where we can break even with about 50 to 60 trades a day. We're averaging close to 50, so we're very close to the break even point now," Mr. Most says.

Nevertheless, this is a miniscule figure when compared with the 60,000 to 70,000 trades a day logged by the Chicago Board of Trade, and there are still major hurdles to overcome, not the least of which is a general public mistrust of trading in commodities options, following the scandals of a few years ago when regulatory agencies uncovered options frauds among some unregulated options sellers who did not use a clearing house system.

But, insists Mr. Most, "there's nothing wrong with commodities options. The troubles were with unregulated options. The problems were with the people who were trading them and how they were trading them." The enthusiasm at the PCE to-day is difficult to restrain. "You can't find a brokerage house to-day," comments Mr. Gallwas, "that doesn't have one or two people specialising in options trading. It's the hottest thing around."

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OVERSEAS NEWS

Red Cross asked to intervene in Timor

LISBON, August 21.

THE PORTUGUESE Government to-day appealed for help from the International Red Cross for its Far Eastern territory of Timor, where heavy casualties are reported after fighting between rival independence groups.

A presidential communique issued here early to-day said that the fighting was out of control. It gave no figures for the casualties, but official sources here said many people had been killed. In Dili, Timor's capital, an official communique said that the civil war could only be brought under control by international intervention.

A later statement from the foreign ministry said that the Government had asked the International Red Cross to help foreign nationals at present in the territory, the eastern half of the island situated in the Indonesian archipelago.

The presidential statement said nearly all Timorese in the Portuguese armed forces there had deserted and joined the rival factions. Timorese made up the large majority of Portuguese troops on the island.

The sources said some white soldiers from mainland Portugal were also believed to have joined Fretilin—the most left-wing of the independence groups. They described the Portuguese forces on the island as in total dissarray, but said that the Portuguese Governor, Colonel Lemos Pires, was safe and in radio contact with Macao and Australia.

Reuter

Egypt's wary welcome for Kissinger shuttle

BY MICHAEL TINGAY — ALEXANDRIA, August 21.

U.S. Secretary of State Henry Kissinger is due in Alexandria at Al Nuzha airport on Friday afternoon where he will be met by Egyptian Deputy Prime Minister and Foreign Minister Ismail Fahmy for the Egyptian end of the first leg of his 11th diplomatic tour in the Middle East.

According to Egyptian Press reports, Dr. Kissinger and Mr. Fahmy will fly by helicopter direct to Ras El Tin palace before an evening round of discussions with President Sadat at his rest house at Maamoura.

With the abortive March shuttle still in the minds of many Egyptians, a long report in to-day's issue of Al Gomhouria stressed that President Ford had assumed responsibility for the failure or success of this tour. Egyptian circles remain optimistic about the interim agreement, though responsible sources quickly pointed an accusing finger at the anti-Kissinger demonstrations in Israel, the Israeli raid on the PFLP camp and to-day's air raid which killed 12 people in the remote village of Ham near the Lebanese border with Syria. These the sources cited as examples of Israel's "diversionary deviousness."

Egyptians at official level, however, are aware and tolerant of Israel's need to deflect domestic opposition with aggressive postures. One official source accepts Henry Kissinger's reminder of last month that the interim agreement could go through "if the two sides can survive each other's public statements." This goes for public positions and public actions. The same source had stressed that Mr. Sadat was taking considerable risks both with fellow Arabs and at home.

Observers still believe that Egypt is talking with unprecedented flexibility, and some believe that if the Israelis withdraw to beyond the eastern end of the passes, as Al Gomhouria to-day predicted, this will be compensated by an Israeli civilian presence with an American early warning team to the west of the passes, possibly at Umm Khusheib, the high peak where Israel has its early warning station.

But against accusations from the militants that he is giving too much for this second stage military withdrawal Mr. Sadat will be able to cite the valuable addition of 4m. tons a year of heavy crude from the Sinai oil fields which bring Egyptian production up to a healthy 12m. tons a year, as well as the value to foreign investment confidence of more territory in Sinai. One top official recently claimed, "Did you really think we believed Arab and Western investors would get under way with just a few kilometres east of the Suez Canal?"

'No new constitution' for India

BY K. K. SHARMA — NEW DELHI, August 21.

INDIA'S prime minister, Mrs. Indira Gandhi, to-day ruled out the possibility of forming a constituent assembly to give the country a new constitution. "Neither the spirit of our constitution nor its essential characteristics can change," she said.

In an interview to the Bombay weekly, Blitz, the Prime Minister said: "We cannot but be a democracy, a secular democracy and a democracy striving steadily to enlarge its socialist content."

An important addition by her was: "the importance of representative institutions or the place of parliament cannot change either." Elaborating further to quell rumours of major changes in the country's constitution and democratic structure, Mrs. Gandhi said: "nor can there be any fundamental departure in the scheme of Centre State relations which our founding fathers devised to serve the needs of a country of our diversity."

Mrs. Gandhi was asked whether the Government was taking a second look at the constitution, what changes were contemplated and whether a new constituent assembly was being considered for the purpose. After making the above assertions Mrs. Gandhi said: "But we can and should have a look at the provisions and procedures we have to give effect to the adopted objectives of the constitution. Many of these procedures and provisions have in effect worked against the Constitution and given enormous scope for small obstructive groups to create trouble and engineer crises."

The Prime Minister invited lawyers, political scientists and leaders of the intellectual world earnestly to study problems that have come up and give suggestions on these aspects. Despite Mrs. Gandhi's assurances on the country's basic structure, it is known that the Government is considering certain changes in the constitution: for example, the chief ministers of Congress States met earlier this week to seek changes to protect land reforms.

● Foreign journalists who flew into Bangladesh yesterday are being expelled, the Press secretary at the Bangladesh deputy High Commission in Calcutta, Mr. Maqsood Ali, said to-day.

He said that he had received instructions from the new Government in Dacca that no visas were to be issued to journalists and that no one without a visa would be permitted to enter the country. Mr. Maqsood Ali said that those journalists already there were being sent out.

Mrs. Gandhi said that she thought it was too early to examine whether the jailed Opposition leaders should be released; the same applied to the question of holding the next General Election on time.

Reuter

DR. KISSINGER'S PEACE SHUTTLE

Cold comfort for Palestinians

BY ALAIN CASS

SUCCESS BY Dr. Henry Kissinger in his second attempt to construct an interim agreement between Egypt and Israel in Sinai is not assured. But the signs are that his chances of success this time are infinitely better than they were when he failed last March and, should he pull it off, the applause in Cairo and Jerusalem is unlikely to be echoed in the refugee camps of Lebanon and Syria.

There, the feelings of frustration and despair which have been carefully controlled by the movement's leadership with the promise that each succeeding step in the process of peace will bring them closer to their distant aims will grow and those who reluctantly agreed to give the diplomatic process a try will not be so easily placated in future. Certainly, one can expect some violent reactions if only to prove that the PLO is still a force to be reckoned with.

Recognition

Again, the actual terms of a Sinai agreement are still far from clear, but it would probably be a reasonable guess to say that the Palestinians and their demands for recognition and a place in the diplomatic process are unlikely to receive too much attention. The next step after Sinai is the Golan Heights, and even the Syrians would not be willing to endanger a retreat on that front by having the Egyptians insist too hard on an immediate resolution of the Palestinian issue.

The best that the Palestine Liberation Organisation can hope for this time is a more positive reference to a wider and more lasting Middle East settlement and, possibly, some more tangible recognition by the U.S. that the Palestinian problem exists as a political issue and that the Americans will eventually get round to it.

Mr. Yassir Arafat, the PLO's optimistic and astute chairman, was not expecting much more; he has, no doubt, prepared his supporters for the worst and is ready to deal with any challenge to his leadership by those who have consistently opposed his belief that diplomacy also has a place in the strategy of revolution. However, in surveying the fortunes of his movement and the implications for the revolution of a new Sinai deal, it would be surprising were he to find much scope for satisfaction in the immediate future.

The PLO's high point was probably Mr. Arafat's appearance before the UN General Assembly where he delivered his celebrated speech in which he said he came holding a gun in one hand and an olive branch in the other. It was a speech which caused as much anger in his own camp as it did in that of the movement's enemies and, perhaps predictably, demonstrated his almost impossible task of exploiting the outcome of the October war without being really an army or a state.

In retrospect, the resolutions of the Arab summit in Rabat, which confirmed the PLO as the sole, legitimate representatives of the Palestinian people and conferred upon it the right to negotiate (or fight) for the return of the West Bank of Jordan and the Gaza strip, were not as binding as they sounded, as subsequent events have proved, and the movement's position to-day is, at best, no stronger than it was in October last year.

The PLO did, it is true, manage to strengthen its position in Lebanon—the only base of operations agains Israel from which it can operate more or less freely—during the recent disturbances there. Attempts by the right-wing Phalangist party to provoke a confrontation between the Palestinians and the Lebanese army failed.

Mr. Arafat has also managed to consolidate his personal position as a plausible world figure by receiving a number of especially European and American political figures.

Perhaps the most worrying development for the PLO, however, is the re-emergence as a political (and possibly military) force of Jordan's King Hussein. Far from being finished, as the Rabat resolutions suggested, King Hussein has bounced back into the political arena and now finds himself courted, not just by his traditional allies, but by radicals like the Syrians who, in the past, have never disguised their contempt for the man they considered was the Palestinian revolution's worst enemy.

The Syrians are, of course, masters of the Byzantine complexities of politics in the Middle East, but their present initiative which involves running with the Palestinian hare and hunting with the Jordanian hound must rank as one of their more interesting efforts. Having concluded a "union" both on the military and political level with the PLO, President Assad (who was the chief architect of the anti-Jordanian Rabat resolutions) is now trying to do the same thing with Jordan. The apparent aim is to reconcile the Jordanians and the Palestinians who have been bitter enemies since the civil war in Jordan five years ago, and create an eastern front against Israel to protect themselves against the consequences of a settlement in Sinai. The logic of this is clear enough and, within that very limited context, is probably an acceptable idea to both sides.

Rapprochement

The danger, however, for the PLO in the rapprochement between Syria and Jordan is that it gives King Hussein the political respectability he badly needs and significantly increases the chances that he might, somehow, manoeuvre himself back into the negotiating process for the return of the West Bank. This fear must be reinforced by the knowledge that the Syrians, their public pronouncements notwithstanding, clearly feel that the Hashemite monarch still has a role to play in recovering the territory and that King Hussein, whatever he may say, has not given up the hope that, one day, the Arabs will ask him to do precisely that.

No doubt the Syrians have assured Mr. Arafat that, if anything, the new entente will work to their advantage and that, if they had to come down on anyone's side, it will certainly not be on King Hussein's. But Jordan could be a valuable southern flank for the Syrians in another war, particularly if the Egyptians stay out of it altogether (which is unlikely) or even for a few days and, seen in that light, Syria's commitment to the PLO takes on a different complexion.

No doubt too this, and the residual bitterness among rank and file guerillas for whom Black September remains a vivid and painful memory, are partly why Mr. Arafat has so far hesitated to commit himself to a reconciliation with King Hussein. There is evidence to suggest that he and his lieutenants are preparing the way for such a reconciliation, but much will depend on whether King Hussein feels able to come some distance to meeting the PLO's demands for a renewed political and military presence in Jordan from which to launch raids into Israel.

One should not overemphasise the nature of the tactical setback which the Palestinians will suffer as a result of a Sinai agreement which leaves them with little, save the vague promise of some future compromise. The cumulative successes in the diplomatic field over the past year or so have left them with considerable strength and a vastly enhanced credibility. The Arabs can no longer sacrifice them to expediency quite so easily and the world diplomatic community will find it difficult to ignore them if only because a settlement in Sinai makes their case that much more pressing. And, of course, the PLO can always count on the Soviet Union's sound support.

Mr. Arafat, however, is faced with the problem of what to do in the immediate future. Having set himself firmly on the road of negotiation, having accepted the principle of a State on the West Bank and in the Gaza strip, and having all but agreed to go to Geneva if invited, he will have to find a way of doing all these things and persuading his supporters (let alone the "rejection front") that they need to be done. It is a complex task fraught with risks and Mr. Sadat's diplomacy cannot have made it easier.

Japan may normalise ties with Hanoi 'very soon'

BY CHARLES SMITH, FAR EAST EDITOR — TOKYO, August 21.

JAPAN expects to reach agreement "very, very soon," with North Vietnam on a package deal which would finally normalise the two countries' diplomatic relations after almost two years of intermittent negotiations.

Japan recognised North Vietnam in 1973, but the North Vietnamese Government declared its unreadiness to accept a Japanese embassy in Hanoi at that time in part because of Japan's refusal to recognise the Provisional Government of South Vietnam. Difficulties also arose over the terms of a Japanese aid package but these have now been largely resolved.

The agreement, whose final details are being worked out by Japanese and North Vietnamese negotiators in Vientiane, will involve a Japanese grant of Yen 8.5bn. for the current fiscal year with a further amount to be handed over in 1976. The aid will be used for North Vietnamese development projects and will be tied to Japanese goods.

The negotiations with North Vietnam seem likely to mean that Japan will find itself in full diplomatic relations with Hanoi before it achieves the same result with Saigon. Japan still has an embassy in Saigon which is staffed with officials below the level of the ambassador. However, the embassy has no official diplomatic status and the Japanese Government has been unable to get any concrete reaction to its request for talks on normalisation.

Sihanouk likely to return

BY OUR ASIA CORRESPONDENT

PRINCE Norodom Sihanouk, titular Head of State of the new Government in Cambodia, is likely to return to his country soon after more than five years of exile.

Reports from Peking, Prince Sihanouk's exile home, and from Pyongyang, where he has been staying for the past few months, suggest that he has made a deal with the Khmer Rouge leaders whom he nominally commands. He is expected to leave for a brief stopover in Peking before the end of the week.

The North Korean radio yesterday quoted President Kim Il-Sung as saying at a banquet: "We hope Prince Sihanouk would relay our greetings to the Cambodian people when he returns to his native land."

Mr. Khieu Sampan, deputy Premier under Prince Sihanouk and commander of the Khmer Rouge forces which ousted the Marshal Lon Nol regime earlier this year after a bitter five-year struggle, has been in the North Korean capital negotiating the return of the Prince.

It had earlier been suggested that the Prince should return but with a tiny entourage. Prince Sihanouk was unwilling to accept such restrictions. Meanwhile Phnom Penh radio, monitored by the BBC, has claimed that the new Government has already made giant economic strides in spite of foreign suggestions that Cambodia is suffering great hardships and particularly a food crisis.

Zambian contingencies

BY TREVOR GRUNDY — LUSAKA, August 21.

PLANNING experts here are working around the clock on this country's biggest re-routing exercise since the closure of its border with Rhodesia in January 1973.

Because of the state of civil war in neighbouring Angola all ships bound for Lobito—Zambia's main import and export centre—have been diverted to heavily congested Dar Es Salaam and the Mozambiquan port of Beira. Ships have already been turned back from Lobito and at least 100,000 tonnes of Zambian bound cargo is stranded there, including 48,000 tonnes of badly needed wheat.

Lobito used to handle 30,000 tonnes of copper a month—half of the country's total exports. Nearly 26,000 tonnes of copper, worth more than 30m. kwacha is now stranded at Lobito. On top of that Zambia has to pay 30 per cent. surcharge on goods stranded at Lobito and the Minister for Contingency Planning, Mr. Haswell Mwale has warned that the extra costs will be passed on to the Zambian consumer when — and if — the abandoned goods arrive here.

Nigerian call for civil rule

LAGOS, August 21.

CHIEF Obafemi Awolowo, Chancellor of Ife University and former Nigerian Opposition party leader, has called on the country's new military rulers to hand back power to civilians by March, 1977.

In a 30-page Press statement issued last night, the former leading politician, whose views are still highly respected, warned that "a date longer than this would arouse deep suspicion and detract from the goodwill the military now enjoy among the people."

It was the first public statement on pressing national issues by Chief Awolowo since General Yakubu Gowon was toppled on July 29 in a bloodless military coup.

Chief Awolowo was Commissioner for Finance and Vice-Chairman of General Gowon's federal executive before resigning in 1971.

Chief Awolowo said the ban on political activites posed when the army seized power in 1966 and the state of emergency imposed during the 1967-70 civil war should cease by October 1 this year as a prelude to the return to democratic rule.

Reuter

EUROPEAN NEWS

EAST-WEST GERMAN RELATIONS

Satisfying the Wanderlust

BY LESLIE COLITT, IN BERLIN

EAST AND WEST Germany are learning to tolerate, if not like, each other as a result of their General Relations Treaty signed here in December 1972. The accord, which was designed to defuse the German problem, can be seen as a forerunner of this month's Helsinki Documents on security and co-operation in Europe.

The German Democratic Republic (GDR), as the smaller and instinctively defensive partner to the Treaty, has had to absorb the brunt of the ensuing changes. To its own pleasant surprise, the GDR has had few repercussions on its internal stability. After the building of the Berlin Wall in 1961 only a trickle of West Germans were permitted into the GDR. In the first half of this year alone, West Germans and West Berliners made well over 3m. trips to the East. Each week-end the GDR turns into an oversize all-German *kaffeeklatsch*, with Westerners providing the coffee and Easterners the cakes and whipped cream.

Travel by Easterners to the West—also foreseen by the Helsinki text—has been more difficult in divided Germany. It is largely restricted to the same group of East German pensioners allowed to make the trip before the two countries signed their treaty. Some 19,000 other East Germans so far this year have been allowed on short trips to the West, under a section providing for such visits in the event of a death, birth, marriage or special wedding anniversary among their West German relatives. Husband and wife are seldom let out together, and great numbers of East German citizens have been excluded altogether for security reasons.

Meanwhile the invasion of the GDR by West Germans, and the simultaneous opening of the GDR's eastern and southern borders for visaless travel to Poland and Czechoslovakia, have only whetted the appetite of East Germans for travel to West Germany. This growing *Wanderlust* is a headache that refuses to go away for the East German leadership. Until now it has been unwilling to put GDR patriotism to the test of liberalised travel to the West.

In an interview given after his return from Helsinki, Herr Erich Honecker, the GDR's Communist Party chief, put a damper on popular expectations by saying: "Security comes first"—that is, before permits to travel. This has been emphasised in a publication aimed at young East Germans, the same ones who extol the advantages of Socialism, while admiring the freedom of movement enjoyed by young Westerners tramping through the GDR and the rest of Europe. The article in the Communist youth organisation newspaper notes that the GDR will not allow itself to be weakened in any way under the "pretence of 'humanitarianism'."

Herr Honecker: putting a damper on popular expectations.

Westerners who have frequent contact with East Germans maintain that if the GDR would guarantee all its citizens, and not only pensioners, an annual permit for Western travel, the initial percentage of those refusing to return home would soon fall to a minimal level. They cite the example of Hungary, which began permitting large-scale travel to the West in the late 1960s, and after an initial blood-letting now loses less than 0.5 per cent. of its manpower from such trips.

On the other hand, it is argued that Hungarians are not Germans and that GDR citizens travelling in West Germany would not be casual tourists. East Germans, like West Germans, are constantly making comparisons, and on the material level, attempting to achieve what their counterparts already have. East Germans are curious about every facet of West German life and, work-oriented as they are, are likely to be as interested in learning how West German offices and factories are run as in seeing the Bavarian Alps or the Rhine. This does not fit in with the official GDR policy of strict separation between the two Germanys.

Although East Germans are intent on proving that socialism can work, particularly in the GDR, they often find it difficult to accept their leadership's abstract arguments. GDR officials, for example, point to an intensification of the East-West ideological struggle in answer to widespread East German call for a greater freedom of movement throughout Europe. Some East Germans, however, detect a hopeful sign in the choice of Yugoslavia for this summer's holiday by East Germany's respected Prime Minister, Herr Horst Sindermann. As a holiday starter the Western Balkans would suit most East Germans.

Satisfying East German desires, not only for consumer goods, is of increasing concern to the ruling Socialist Unity Party. Pressures have arisen as seldom before to boost labour productivity in the face of the inflated prices the GDR must now pay for oil and other raw materials from the Soviet Union and the West. One-third of this year's planned growth in national income will be sacrificed if savings are not achieved by greatly improved output per man hour, combined with strict economies in the use of energy and other raw materials.

This is where the much maligned West German connection turns out to be a unique advantage for the GDR. Duty-free trade between the two Germanys and an annual interest-free trade credit from West Germany of DM760m. mean the GDR can obtain badly needed capital goods from the West without dipping into its hard currency reserves.

Contrary to earlier predictions, inter-German trade is holding up remarkably well this year. Total trade turnover should amount to about DM7.2bn. compared with DM6.9bn. in 1974. Expanded East German imports of crude oil from West Germany, as well as industrial equipment, account for the bulk of the increase.

Then there is West Berlin, whose location in the heart of the GDR is a lucrative source of D-Marks for that country. Currently the GDR collects a lump sum of DM300m annually from Bonn in road transit fees for the autobahn to West Berlin. Now the GDR is calling for new fees amounting to three times this amount.

West Germany's Chancellor, Helmut Schmidt, and Herr Honecker reached basic agreement at their two meetings in Helsinki on the joint construction of a new autobahn from West Berlin to Hamburg, as well as modernisation of the existing highways and rail lines leading to West Berlin over GDR territory. All these infrastructure improvements are to cost an estimated DM3bn., and the West Germans are expected to come up with a good share of the money.

The GDR was a slow starter in the field of industrial co-operation with the West, but it is now busy negotiating major deals with West German companies such as Krupp, Hoechst and Salzgitter. A West German engineering consultant has begun building Europe's largest integrated slaughterhouse and meat-packing plant in the GDR, which, when completed, is to supply the West Berlin market.

One indication of just how eager the GDR is to obtain Western currency is the lifting of its long-standing limitation on the amount of West German currency visitors can give to East German subjects. Inevitably the new situation results in black market rates of exchange, but the D-marks all end up in the expanding chain of Intershops, where East Germans can buy Western goods for the money.

The flourishing state of East-West German commerce is seen as one of those inevitable facts of life by other East European countries, who are also competing for a share of the West German market. It has been suggested in West Germany that the Soviet Union could be regarding these inter-German links with some displeasure. Yet, seen from Moscow's vantage point, any aid Bonn can provide to the GDR during this period of economic stress is preferable to East German discontent, were the country to be hit by the full effects of recent price rises.

Portugal's Press shaking off Communist controls

LISBON, August 21.

PORTUGAL'S PRESS has suddenly begun to cut loose from attempts to bring it under Government or Communist control. A few weeks ago it seemed just a matter of time before Communist-dominated workers' committees, helped by a Left-wing drafted Press law, would rule supreme over all editorial comment. But this has all changed with the latest surge of anti-Communism and the erosion of military support for pro-Communist Prime Minister Vasco Gonçalves.

Journalists have resisted attempts by pro-Communist Information Minister Jorge Correia Jesuino to stop details coming into the open of the yawning split in the ruling Armed Forces Movement, and now it seems a free-for-all, with no quarter given. Reports of the struggle for political power are blazoned across the nation's newspapers in unexpurgated detail.

The Communists, backed by just one faltering military faction and no longer by the full authority of the Armed Forces Movement, have lost control of the 800-strong journalists' union, and the first statement by the union's new Socialist and Maoist leadership demanded the resignation of the Information Minister "and all his lackeys." It then publicly supported a revolt by 30 of the 54 journalists on Lisbon's main newspaper, Diario de Noticias who are trying to reverse its bias towards the Communists.

State television journalists complained publicly that Commander Jesuino was ordering them not to screen details of an anti-Government manifesto drawn up by nine prominent moderate officers, even though it had appeared in full in a Lisbon evening newspaper. And when commander Jesuino then asked newspapers to refrain from publishing a counter-manifesto by the extreme Left-wing Copcon military security force, the full text was published 12 hours later in two Lisbon dailies.

Journalists are also ignoring a military order to submit all reports about the fighting in Angola to censorship by the Fifth Division—the Communist-dominated information and propaganda service of the armed forces.

The day after the order came into effect, the head of the Fifth Division, Captain Ramiro Correia, summoned editors to discuss its working. They bluntly told him that they were against any form of prior censorship and that accurate reporting of Angola would be better served by a greater flow of information from the military authorities. The Fifth Division quietly gave in, and nothing more has been heard of the matter.

The confidential document leaked fastest was Commander Jesuino's own draft for the new Press law that would set up an "analysis" commission of army officers with power to fine publications up to 500,000 escudos (£9,000) or suspend them for six months.

Journalists believe the new law would give the commission a free hand to suppress virtually anything it wanted, and, more surprisingly, the draft law was condemned by front-page editorial statements in the Lisbon evening newspapers Republica and Diario Popular, both of which at the time were pro-Communist.

The Communist influence, where it is intact comes through clearly. Undesirable reports may be relegated to a tiny corner of an inside page, printed with deprecatory comments or suppressed. The Lisbon morning newspaper O Seculo refused to print an appeal to the Portguese nation from ex-President Spinola even though it had been issued as a communiqué from the office of incumbent President Costa Gomes.

However, the methods of the workers' committees have also helped block attempts to make Communist control absolute, with Socialist and various extreme-Left journalists fighting a running battle.

The weekly Expresso, edited by Francisco Pinto Balsemao, a leader of the centre-Left Popular Democratic Party, continuously published well-informed reports on the in-fighting within the Armed Forces Movement. For a long time it was the only publication daring to catalogue the increasing Communist influence in the movement. Then it was joined by Jornal Novo, a new evening newspaper of largely Socialist tone, which has criticised and mocked radical Leftists in the army.

The Communists then gained control of Republica from the Socialists in July. The former editor, Raul Rego, countered by announcing he was starting a new newspaper, A Luta (The Struggle), due to open by the end of this month.

The Communists struck back by arranging a meeting of workers of Diario de Noticias, who voted to suspend the 30 anti-Communist dissident journalists from their duties on the newspaper.

Thus, like the government, the fate of the Press is in the balance, the outcome no doubt depending on the struggle for political power at the highest level among the soldiers and politicians.

Reuter

Bank of Italy confident of financing payments deficit

BY RUPERT CORNWELL

ROME, August 21.

ITALY'S decision to apply for a loan from the IMF's oil facility of SDR780m. is explained by official sources here as merely the most sensible and economic way of financing part of the country's expected payments deficit this year.

The latest internal forecasts suggest that Italy's current account deficit will improve dramatically to only $2bn. in 1975 from over $8bn. in the critical year of 1974.

The "oil deficit" is likely to reach around $5.5bn. thus implying a "non-oil" surplus of around $3.5bn.—far better than the pledge given by a beleaguered Italy to the Fund at the time of the vital 1974 standby credit, that its non-oil account would be just breaking even by the end of this year.

Against this background it is hardly surprising that the Treasury Ministry has chosen the cheaper option of seven year financing at 7.25 per cent. from the IMF to the alternative of further borrowing on the Euro-market, where rates are much higher.

The covering of this year's deficit is contemplated with serenity at the Bank of Italy, with half coming from the new credit, assuming this is approved to-morrow, and the remainder from normal capital inflows. One official to-day was indeed wryly speculating on the possible recovery by the country of its "financial virginity," after the alarms of 1974, when its credit-worthiness plummeted almost to zero.

Nonetheless, according to the latest figures, Italy's total foreign debts still exceed $14bn., $7bn. of which comes from public sector borrowing and another $6bn. from loans granted by other monetary authorities. Of the latter, Italy still has to repay by next August the outstanding $1.5bn. of the $2bn. it received in extremis from the Bundesbank last summer, with Italian gold used as collateral.

French industry more optimistic

BY ROBERT MAUTHNER

PARIS, August 21.

FRENCH industrialists and businessmen are taking a slightly more optimistic view of the economic situation, although there are no signs that they expect a strong upturn, according to the latest quarterly findings of the National Institute of Statistics.

Having adjusted their production to the lower level of demand since the spring, industrialists are still expecting a small drop in output but less than during previous months. Indeed, it was significant that the industrial production index in June recovered to its early spring level after a sharp drop in May.

No real improvement in foreign demand is foreseen by French businessmen, whose more optimistic view of the future is based mainly on a recovery of domestic demand. No doubt they would have been less cautious in their optimism if they had been certain that the Government intended to adopt a reflationary package in the early autumn, but this had not yet been announced officially when the questionnaire was completed.

The overall picture painted by the institute's report, however, remains fairly sombre. In spite of its relative recovery in June, industrial production fell by 3 per cent. during the three-month period ending that month, and, just before the summer holidays, only 13 per cent. of the industrialists questioned said they could not increase their production compared with 15 per cent. three months previously.

MOST French newspapers failed to appear yesterday for the sixth time since April as the result of a strike by the main printers' union, writes Robert Mauthner from Paris. Whereas the last 24-hour stoppage affected only Parisian newspapers, to-day's involved the provincial Press as well. The strikes are in protest against the threatened loss of jobs in the industry.

According to the institute, the last time that such low percentages for capacity production were recorded was in 1962. As a result, all sectors, without exception, have been reducing their labour force.

A particularly worrying feature, and one which the authorities obviously have to take into account when working out their stimulatory measures, is the sharp fall in orders for capital goods — 9 per cent. in value between the second half of 1974 and the first six months of 1975.

Industrialists have progressively revised downwards their investment intentions for 1975, and their latest forecasts point to an overall drop in productive investment of 8 per cent. between 1974 and 1975.

One positive result of the slack economic situation, however, is that producer prices have been rising only very slowly. Between March and June this year, they went up by no more than 0.2 per cent. and the year-on-year increase in 1975 is expected to be only 4 per cent., compared with a probable rise in the cost-of-living index of between 9 and 10 per cent.

U.S. troops for north Germany

BY JONATHAN CARR

BONN, August 21.

BROAD AGREEMENT has been reached on the stationing of a U.S. combat brigade in northern West Germany, hitherto the preserve of other Nato forces, notably those of Britain. The move is seen in particular as a response to increasing Soviet troop presence in the northern part of East Germany.

The origin of the action lies in Washington's decision last year to withdraw some 18,000 support troops over a period of two years from the Federal Republic and to replace them with about the same number of combat troops, that is two brigades.

The number of U.S. troops here, about 200,000, would thus undergo no substantial change, though the cost of billeting should be somewhat reduced since combat forces are not accompanied by dependants.

One of these brigades has arrived and is to have its headquarters in Wiesbaden in the southern half of West Germany where U.S. forces have been stationed to date. But a German-American committee has now agreed in principle that the other is to be based in the state of Lower Saxony in the North.

The initiative for the placing of forces in the North came from the American side. The move is evidently aimed at keeping some degree of balance against the Soviets across the border and is a further sign of U.S. commitment to European defence.

● General Alexander Haig, Allied Commander in Europe, announced to-day that he would co-ordinate this fall's Nato war practice exercises instead of leaving them to individual nations or small groups, UPI reports from Washington.

● Yugoslavia has renewed its request for U.S. armaments, American Congressional sources said, Reuter reports from Belgrade. The issue was brought up by the Yugoslav side in talks which a visiting group of U.S. Congressmen had with Foreign Minister Milos Mimic, the sources said.

● A draft convention to prohibit military or other hostile use of environmental modification techniques was tabled jointly by Russia and the U.S. at the disarmament conference, writes David Egli from Geneva. Representatives of both sides expressed confidence that rapid progress would be made in this area in the next session of the conference, resulting in a definitive text within a year.

July trade surplus lower

BY OUR OWN CORRESPONDENT

BONN, August 21.

THE WEST German trade surplus in July totalled DM3.7bn. against the DM4.5bn. figure recorded a year earlier before recession set in and the country's export-oriented economy began seriously to suffer. The July current account surplus, after subtracting deficits for services and money transfers, totalled DM100m.

The July figures result from exports worth DM19bn., a reduction of 7 per cent. against the figure for July, 1974, and from imports worth DM15.3m., 4 per cent. down.

In the first seven months of this year exports totalled DM127.5bn., a fall of 4 per cent., and imports DM104.1bn., an increase of 2 per cent. The result is a trade surplus in the first seven months of DM23.4bn. and a current account surplus of DM7.4bn., a little more than half the figure for the period of 1974.

Greek junta verdict to-morrow

ATHENS, August 21.

THE COURT trying former Greek President George Papadopoulos and 19 of his associates in the former junta said to-day it would deliver its verdict on Saturday.

The court adjourned until Saturday after hearing the final pleas of defence lawyers, who claimed that the charges of high treason and military revolt on April 21, 1967, could not apply to their clients. Lawyer Dimitrios Dialynas, speaking for most of the defendants, said: "April 21, 1967, was revolution and not a coup."

Mr. Dialynas said that even if convicted on all counts, the defendants could not be sentenced to death. "The constituent decree on which their indictment is based speaks of political crimes and in accordance with the Constitution death sentences cannot be imposed for political crimes."

UPI

Dublin offers pay pact compromise

By Our Own Correspondent

DUBLIN, August 21.

THE IRISH Government to-night accepted trade unions policy that pay increases for 500,000 workers during the final six months of the National Pay Agreement should be indexed to retail prices. The move is designed to enable employers and unions to overcome an impasse over renegotiation of the agreement.

However, the employers are expected to express dissatisfaction with the recommendation. They have insisted that pay increases should be limited to 5 per cent. a quarter even if consumer prices rise by a higher percentage.

The Government to-night stipulated two conditions: Discussions with the employers and unions should consumer prices rise by more than 5 per cent. between August and November; employers and unions reconsider the provision in the agreement on special pay increases to certain public service employees.

Sweden eases credit to industry

By William Dullforce

STOCKHOLM, August 21.

SWEDEN is lowering its discount rate from 7 to 6 per cent. with effect from to-morrow. The domestic long-term lending rate is, however, to remain unchanged.

At the same time, the Riksbank (Central Bank) has lifted the ceiling on commercial bank credits, apart from housing loans, and increased the commercial banks' liquidity quotas from 32 to 34 per cent.

These measures are intended to counter the rapid slowdown in the Swedish economy by easing credit for industry, enabling it to finance stocks and thereby maintain production and employment.

The Riksbank says the easing in credit policy was made possible by the surge in public and private foreign borrowing this year, which has improved the currency reserves, and by the fall in short-term rates abroad.

Steel output continues to fall

BY A CORRESPONDENT

BRUSSELS, August 21.

WORLD RAW steel production in 27 main non-Communist producing countries is continuing to fall according to latest figures released by the International Iron and Steel Institute. July's figures show that production totalled 31.7m. tonnes against 34.1m. tonnes in June and 40.3m. tonnes in July last year.

Britain's output in July slumped to 33.1 per cent. below figures for July 1974. British production was 1.2m. tonnes against 1.8m. tonnes a year ago and 1.5m. in June this year. Cumulative figures for the first seven months of the year showed that British output was 12.1m. tonnes against 13m. tonnes for the same period in 1974.

Comparative figures for the U.S. show a fall of 31 per cent., with 7.6m. tonnes last month against 11m. tonnes in July last year and 8m. tonnes in June this year. In Japan the fall was less at 12.6 per cent. Output there was down from 10.1m. tonnes in July 1974 to 8.9m. tonnes last month. The June figure was also 8.9m. tonnes.

Steel production in the original six EEC countries fell to 7.8m. tonnes from 9m. tonnes in June and was 28.7 per cent. below the July 1974 total of 11m.

The world cumulative total for the first seven months of this year was 250.5m. tonnes, which was 11.8 per cent. below the 283.9m. tonnes produced during the same period last year. Individual figures for this period were: U.S. 85.4m. tonnes against 78.6m. last year, the original EEC Six 64.7m. tonnes against 77.8m. last year and Japan 60.8m. tonnes against 68.8m. last year.

HOME NEWS

BSC must be 'jolted out of land of lotus-eating'

BY HAROLD BOLTER, INDUSTRIAL EDITOR

BRITISH STEEL chief executive, Mr. Robert Scholey, has told the corporation's 220,000 workers that he is determined to jolt all parts of the corporation out of "the land of lotus-eating."

The corporation (losing £5m. a week) is clearly concerned about the lack of response it is getting to its attempt to reduce manning levels voluntarily, although it will be early October before detailed figures are available from the divisions.

Mr. Scholey, addressing a meeting of top executives, maintained that the corporation's programme of manning cuts was the most important single factor in the BSC's fight for survival.

"Although attempts to revise manning standards will be difficult, all our departmental managers must maximise their efforts to de-man their payrolls," he said.

Proper shape

"Manning in the service areas, that is those parts of the works not directly engaged in production is, I believe, where our problems lie.

"When I look at some of our groups' manpower charts, there are jobs which are difficult to recognise. Our management structures must be got into proper shape. I am determined to jolt all parts of BSC out of the land of lotus-eating."

Mr. Scholey described the current crisis facing British Steel as "a straitjacket we have to get out of."

It was essential the unions acknowledged that management was fighting to maintain a good future for the majority of men currently employed by BSC and that only a certain number of men could be employed for each tonne of steel produced.

High cost

Mr. Scholey produced at the meeting what he called a "frightening" chart, previously shown to Mr. Eric Varley, Industry Secretary, showing that *the high cost of BSC's labour* force was the greatest single obstacle to a prosperous future for the corporation. It represented 73 per cent. of the corporation's fixed costs.

Mr. Len Kingshott, managing director, finance, explained that the combined effect of selling in world markets, in which price movements were highly cyclical, and operating with high fixed costs was that the corporation faced a swing of £366m. in its financial performance in a single year.

It was also revealed that the BSC intends to look into how its manning levels compare with the best of the private sector steelmakers.

EEC counterparts

In addition, the corporation is offering to take union representatives at both national and works levels to see how their counterparts in the EEC fare in terms of manning levels and output.

The idea according to Steel News, the BSC's employee journal, is that union personnel will be able to compare not only the working standards and practices of BSC and the rest of the EEC, but also the over-all standard *of living—involving* pensions, holidays and all other fringe benefits.

Our Darlington Correspondent writes: The BSC yesterday launched a recruiting drive for workers for its new £1,500m. complex at Redcar, Teesside. It wants more than 1,000 men for the coke ovens, raw materials and sinter plants which are due to be commissioned next year. More than £7m.-worth of equipment will be installed.

Glyn Genin

Lady Chichester presents the "Chichester Log" to Mr. Alan Hare, managing director of the Financial Times. The leather-bound volume is a facsimile of the log kept by Sir Francis Chichester on his single-handed voyage round the world in Gipsy Moth IV. It is offered as *a prize for the yacht keeping the best log during the Financial Times Clipper Race.*

Engineering orders begin to revive

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE LONG and very steep fall in new orders for the engineering industry might have levelled out at last. This possibility is tentatively held out to-day by the Department of Industry with publication of the latest engineering sales and orders statistics.

But this is only a very faint glimmer of light to cast on the industry's current gloom.

For the statistics, published in Trade and Industry magazine, show that the level of new orders are running a third below the peak they reached during the boom period of 1973, and the recent inflow of new business is still much lower than current sales. Order books are falling throughout the engineering sector.

Very slim

The industry had been waiting anxiously for the fall in new order intake to level off. For the year to May, the month covered by the latest figures, the rate of ordering had dropped steadily until it was close to the lowest level recorded since the present engineering indices were started in 1969.

A spokesman for the British Mechanical Engineering Confederation pointed out last night: *"The rate of the fall in new* orders could not continue at such a sharp rate. The order intake in our sector has fallen by half."

Nothing has happened in recent weeks to change the view that, for mechanical engineering at least, the bottom of the trough in demand will not be reached until well into the second half of 1975 and that by the first quarter of 1976 order books will be very slim indeed.

The Department of Industry bases its tentative optimism on the fact that the trend of total net new orders increased during the three months to the end of May by 3.5 per cent. This reflected chiefly a greater inflow of home new orders in the previous months but trend estimates of export new orders also slightly increased by 1 per cent., suggesting that overseas orders might now be steadying after a decline of 30 per cent. from their 1973 peak.

Between February and May total orders-on-hand fell back by a further 5.5 per cent., reflecting the continuing low levels of home new orders in relation to those of sales. Over the same period, home orders-on-hand fell by 6 per cent., while export order books lengthened by 4.5 per cent.

This is in line with the feeling of the Engineering Employers' Federation that, apart from a reasonably optimistic outlook *for exports, prospects for the* industry over the next 12 months are grim.

Ezra urges 'all-out war' on coal costs

BY HAROLD BOLTER, INDUSTRIAL EDITOR

SIR DEREK EZRA, National Coal Board chairman, yesterday called for an all-out drive to cut costs and improve efficiency in the coal industry.

He made the call during a visit to the Kent coalfield, where he was overcome by heat while 3,000 feet underground at the Tilmanstone colliery, near Deal.

Although the pit doctor was called, Sir Derek recovered quickly and did not need medical help. Later he held a Press conference before curtailing his afternoon engagements.

At the conference, he singled out the Kent mining industry as an example of too little production at too high a cost.

Average output a manshift in Kent is only half the national average and little more than one-third of our best area, North Derbyshire," he said.

Although Kent had improved *its results last year this was* almost entirely due to the achievement of Coal Board scientists in finding ways of using the coal for steelmaking, and of the NCB's marketing department, which had switched more than three-quarters of Kent's production to this higher-priced market.

Objective

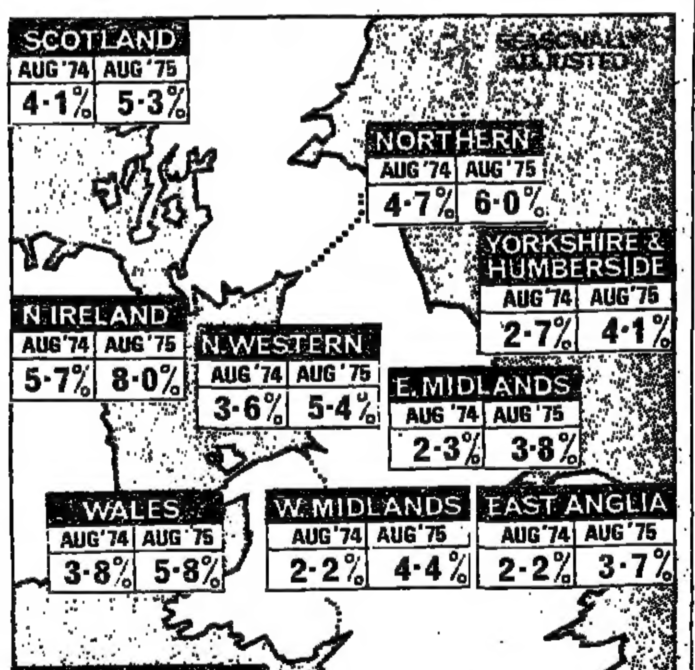
Sir Derek said that a dramatic reduction in the costs of producing coal at the three Kent pits should be the joint objective of everyone involved.

"At present, these costs are by far the highest in the country," he emphasised. "I know that geological conditions are not ideal but they are not the full explanation for the fact that Kent costs are double the national average."

Speaking generally, Sir Derek said coal must be available to avoid turning to imported oil when the economy picked up—"as it will, in my opinion, a few months from now."

Therefore, pits were being prepared so that when the industry returned to work after the holidays it could achieve the 5 per cent. increase in productivity agreed with the unions.

Regional unemployment



Regional disparities in unemployment have been markedly reduced during the current recession. *With the total at record post-war levels,* traditional high unemployment areas such as Scotland and the North have continued to suffer higher rates than the rest of the country. But the rises in the lower unemployment areas such as the South East and the Midlands have been greater and the gap has narrowed.

Airport landing fees up 15%

By Lorne Barling

THE British Airports Authority is to increase landing fees at its seven airports by 15 per cent. on November 1, adding £1.5m. to British Airways' operating costs.

The authority, which has already increased landing charges by 35 per cent. this year said, however, that the increased revenue would not prevent it falling well short of the profit *target of 15.5 per cent. net return* on assets.

"An increase in charges earlier this year was held as low as possible," the authority said, "but we have been forced to raise landing fees again because of the effects of inflation on costs." This increase was the first since 1972.

In an attempt to cut losses at Scottish airports, fees would be increased by 19 per cent., it added. At the same time, efforts would be made to bring rates at the newly acquired Glasgow airport into line with other airports.

The overall increase was foreshadowed recently by Mr. Nigel Foulkes, the authority's chairman, when announcing a reduction of the BAA's pre-tax profit last year to £8.4m. compared to £11.8m. in 1973. This was due largely to a substantial drop in traffic at Heathrow and other airports

Mr. Foulkes said then that landing charges would have to rise again this year, but that the magnitude could be reduced by increasing by 12 per cent. the price of duty-free spirits sold at BAA airports. It is understood that landing fees would otherwise have had to go up by about 25 per cent. on November 1.

Energy crisis

In 1974, the energy crisis had led to a reduction in traffic and landing-fee income, while costs rose by 25 per cent., he added. That side of the business made a loss of £4m.

Landing charges for the aircraft using BAA airports are calculated on the basis of aircraft weight, number of passengers on board, type of route flown and time of landing.

In future, it will cost airlines using Boeing 747 aircraft under specified conditions £1,005.50 at Heathrow, £1,187 at Scottish airports and £1,011.71 at Frankfurt.

Thames festival will recapture the splendour of sail

BY ALEC BEILBY

WHEN THREE fully-rigged training ships—the first of 80 sail training vessels from 14 nations—arrive in the Pool of London to-day, the curtain is raised on London's Festival of Sail, organised by the Port of London Authority.

The festival, probably the most spectacular maritime event seen on the Thames since the reign of Charles II, will enable thousands of people to visit ships that, while reflecting nostalgia for past days of sail, play a vital training role.

The first arrivals will be the two Danish training ships, Danmark and Georg Stage, and the Russian training barque, Tovarisch.

They will be joined during the week-end by the Portuguese barque, Sagres, and the West German barque, Gorch Fock, both similar in size to the Russian ship. The Gorch Fock will be berthed opposite the Tower of London alongside the cruiser HMS Belfast, and will, with the other training ships, be open to visitors each afternoon until Thursday next week.

These five sailing ships are among the largest still afloat and will provide the backdrop for hundreds of smaller craft that will be arriving in the Pool of London and the nearby reaches of the Thames for a week of sailing and other events associated with the sea.

Events range from sailing barge races, sail-setting demonstrations on square-rigged ships, to dinghy races from Putney to the Tower and back. The Top of the Tide dinghy race, as the event is named, has attracted an entry of hundreds, and canoe racing from Woolwich to the Tower has attracted a similar entry.

Ashore to-morrow evening, the London Borough of Southwark presents a firework display and earlier in the day cruising yachts race from Gravesend to the Tower, an event impossible a few years ago when the Thames was a busier commercial waterway.

Rowing races

Later in the week there will be two further firework displays. The second—at Greenwich on Friday—will add to the splendour of the Clipper Race Ball, being held in the Painted Hall at Royal Naval College, Greenwich.

During the week, the 1,500 trainees who man the 80 ships will hold tug-of-war contests in the moat of the Tower and stage rowing races in naval whalers on the river.

The Royal Marines will Beat the Retreat at the Tower on Thursday evening. At the Mermaid theatre on Sunday evening, Sir Bernard Miles will present an evening of sea poetry and sea shanties from around the world.

The cadets, trainees and their officers will be received at County Hall on Thursday, and on *Friday afternoon they will march* through the City to the Guildhall to receive their prizes for the events of the week.

Later the same day, Princess Alexandra will review the ships.

Apart from the collection of old ships already moored in the St. Katherine's yacht haven, visitors will be able to see the yachts that will be competing in the Financial Times clipper race from the Thames to Sydney and back. They will be in the yacht haven for the whole week prior to their race departure in nine days' time.

To-morrow week, they will sail in procession with other vessels down river, providing a spectacle that will last almost two hours from any point on the route from the Tower to the sea.

Action urged on BR Channel shipping

BY JAMES McDONALD, SHIPPING CORRESPONDENT

URGENT ACTION is required if British Rail's shipping division is to remain viable on the cross-Channel routes, a report published by the Commons select committee on nationalised industries said yesterday.

"Everything that can be, should be done to modernise and expand its fleet to meet opportunities for growth and profitability," states the report, which is the result of an investigation—begun in November, 1973—into the ownership, management and use of shipping by State industries.

The report recommends that if British Rail is required by the Government, for social or other reasons, to operate an unprofitable shipping service which it wants to close, the costs should be separately identified and charged to the Department of *the Environment.*

"Legislation should be introduced to allow British Rail shipping services freedom of operation within the short-sea routes," the report also recommends

Threshold

In this context, the British Railways Board does not have the power, "nor is the Minister able to consent to," operations between ports where former *railway companies have not previously* operated.

Because of this statutory limitation, "it was impossible, when the container through-capacity at Parkeston was recently further reduced by technical problems with the Goliath cranes, for Sealink (BR's shipping service) to move across the water and operate from Felixstowe."

The report recommends that the threshold for capital investment projects requiring Ministerial approval should be raised to £2m. at 1975 prices for the British Rail Board and to £1m. for the Scottish Transport Group (STG).

The Treasury should examine the present use of test discount rates to see whether they provide an adequate guide to investment decisions.

BR's competitors, "who have to raise their finance privately, will probably need to secure a higher return on new investment than BRB do with the benefit of public finance to back them."

Methods of financing new ship construction should be kept under constant review.

Mr. John Prescott, Labour MP for Hull East and a member of the committee, yesterday went beyond the report's language, accusing Ministers of "shackling" State shipping and calling for a £100m. cross-Channel investment plan and the establishment of a National Shipping Agency.

"I am asking Dr. John Gilbert, the Transport Minister, for an immediate crash investment programme of at least £100m. in Channel shipping and hovercraft services, particularly in view of the cancellation of the Channel Tunnel," he said.

"Secondly, connected with this, I am demanding that the Government should accept that the British Rail shipping division should be separated from the main Board.

"Thirdly, I want the Govern*ment to consider establishing a* National Shipping Agency to serve all the nationalised industries' shipping interests.

"Nationalised shipping, which directly or indirectly controls over 2m. gross tons—and particularly the B.R. Shipping Division—has been seriously prejudiced in its activities to maintain a modern and expanding shipping fleet, by a combination of old legislation, government departments' requirements, British Rail's 'obsessions' and the financial incentives available to its private competitors."

Ownership, Management and Use of Shipping by Nationalised Industries, S.O., £7.70.

Another Marks and Spencer supplier lays off workers

FINANCIAL TIMES REPORTER

FOR THE second time in a week, a major Marks and Spencer supplier is laying off staff because of falling demand. Mansfield Hosiery Mills, part of the Nottingham Manufacturing Company, has laid off one third *of its workforce at its Shepshed factory for an indefinite period.*

About 240 workers are involved at the factory which produces fully-fashioned knitwear and employs some 750 workers.

Mansfield Hosiery, which last year lost production as a result of a ten-week strike among its Asian workers over equal job *opportunities, has already laid* off another 50 knitters and runners-on at its Loughborough plant.

Since Marks and Spencer announced it was cutting its stockholding by about 10 per cent., a number of its suppliers have had to lay off workers. Last week, Corah, one of the company's major textile suppliers announced it was closing three factories and making 500 workers redundant.

Unemployment in the Leicester area is already running at 5.8 per cent. and yesterday the City Council said it was setting up a special study to organise an early warning system to forecast national trends dangerous for local industries.

The study, which will cost about £7,000, is being set up in association with Leicester University and Leicester Polytechnic. *The early warning system would* result from research at the university where national industrial trends and their possible consequences for local industry would be assessed.

● The National Union of Hosiery and Knitwear Workers emergency committee, formed to fight to retain jobs at the Morley division of Meridian, at Heanor, Leicester, where 370 operatives are threatened with redundancy, has put new proposals to the management. It wants the company to consider starting a leisurewear making-up unit on the site and also redeploying the workforce at other Courtaulds factories in the area.

Profit up £4m. at Cable and Wireless

Financial Times Reporter

CABLE AND WIRELESS, the international telecommunications group owned by the Government, made a profit of £19m. in the year to March 31, 1975—about £4.3m. more than in the previous year.

The company earned £27m. in foreign exchange last year, compared with £22m. in 1974. In its annual report Cable and Wireless *says it is "cautiously optimistic"* that turnover will rise again during the current year and that the *"before-tax profit will be held at its current level."*

In its accounts Cable and Wireless refers to losses made by Coltronics, a Hong Kong subsidiary producing electronic calculators which is now in liquidation after losing £2.9m. since its acquisition in 1971.

Following a report by Social Audit, the consumer group, the Department of Industry inquired into the loss, which is soon to be investigated by six MPs from the Commons Select Committee on Nationalised Industries. The team will fly to Hong Kong after the House resumes.

PAPER AND BOARD PRODUCTION

Figures for U.K. paper and board production in the first six *months of this year, published in* the Financial Times yesterday, incorrectly stated that total production (excluding building board) during the period was 24 per cent. higher than the first six months of 1974. Production was in fact 24 per cent. below that of 1974.

Alliance Party mediates in Ulster talks

BY GILES MERRITT

BELFAST, August 21.

FEVERISH behind-the-scenes political activity, with Northern Ireland's centrist Alliance Party taking the lead as mediator between the UUUC Loyalist coalition and the Roman Catholic SDLP, began to-day in an effort to patch up yesterday's near-breakdown of the crucial inter-party negotiations.

To remind the participants that time is running out, the spiral of sectarian violence continued—two more killings to-day lifting the death toll for the last 12 days to 14. A Catholic was shot dead this morning on the fringes of Belfast's Tiger Bay Loyalist area and just three hours *later* terrorists gunned down two Protestants standing on a used car lot in nearby Glengormley. One man was killed, the other is in a critical condition.

Although the inter-party talks between the UUUC and SDLP came dangerously close to deadlock yesterday—when the three-man Loyalist team headed by Vanguard Party leader, Mr. William Craig, walked out of the meeting after less than two hours of discussion—there is still hope that the two sides can eventually be coaxed into agreeing on some form of devolved government for the province.

The Alliance Party, which almost two years ago played a vital intermediary role in the negotiations that led to the power-sharing Executive, has once again embarked on the same task.

Mr. Oliver Napier and other Alliance leaders will discuss proposals to be put to the SDLP and UUUC at meetings to-morrow.

The SDLP team, led by Mr. John Hume, is known to be holding out for full participation in government at cabinet level. Although the term now apparently being used is "collective responsibility," Loyalist hardliners have dismissed these demands and are even questioning the wisdom of the UUUC negotiators in proposing a system that could give the Catholic minority control of such important sectors as housing or industrial development.

Three-man Cabinet

The UUUC scheme envisages a three-man cabinet with eight powerful "congressional" committees beneath it whose control would be evenly split between Loyalists and SDLP. Their representatives would chair three each, with the remaining two divided between the Alliance Party and Mr. Brian Faulkner's moderate UPNI.

Bristol Airport 'best for regional needs'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DEVELOPMENT of a new airport on Severnside to meet the future needs of air transport development in the South-West of England would not be worthwhile, and further development of Bristol Airport at Lulsgate is the best solution to the area's requirements.

This conclusion emerges from a new study into airport development in South Wales and the South-West region of England, prepared by the Civil Aviation Authority as part of its overall study into future U.K. regional airport needs.

The report, by the CAA's economics and statistics division, makes no specific recommendations, but it does indicate that Bristol, operating alone, would be the best "single airport" solution to future air traffic needs in the area.

If capital to expand this airport were not forthcoming, however, Glamorgan Airport would be the next best option, closely followed by Exeter. Those three airports together, however, would constitute the best "three-airport" system to meet future air transport needs in the region.

The report suggests that by 1990 the region will be generating some 9m. international air travellers, but that because of proximity of both Heathrow and Birmingham airports, some 66 per cent. of these passengers will be likely to use those airports rather than airports in the region.

GALLUP POLL

Social Surveys (Gallup Poll), mentioned in yesterday's story on attitudes to foreign goods, points out that it is an independent British company and not a subsidiary of the American Gallup organisation.

BOOKS

So are they all, all honourable men

BY C. P. SNOW

The Impact of Hitler by *Maurice* Cowling. Cambridge University Press, £15.00. 561 pages

When I was a youth of 18 or so, I used occasionally to walk home with a middle-aged acquaintance. We had met at a local chess club, and I enjoyed his company. He was a bachelor, totally unambitious, holding down a modest clerical job. He was a good talker in a gentle, agreeably witty fashion. He had read a lot, and at that time I was eager for bookish conversation.

One of his favourite topics, I soon discovered, was the French Revolution. He knew the history almost week by week, and I learned dates and names which I have remembered after all these years. But he also knew why the Revolution had happened. Still gentle, lucid, quiet and humorous, he told me so, with the certainty of someone who is in possession of a truth not granted to many. It was the work of a secret society. A secret society which had set out to destroy civilisation. Which had gone on to greater things. Which was, of course, responsible for the Russian Revolution. Which was still at work, *more powerful than ever*.

I don't think I had met anything like this quiet, happy, intellectual paranoia before. He *recommended me to read the* revelations of one Nesta H. Webster. That would be a good start.

I didn't argue the case. I was in a state of mild stupefaction. I have felt a somewhat similar stupefaction reading Mr. Cowling's *The Impact of Hitler*. It is, I ought to say at once, far from easy to read, even to those of us who would expect to be interested in the subject. Mr. Cowling hasn't so entertaining and witty a mind as that of my old chess-playing friend. Or perhaps he deliberately set out to eliminate all devices and structures, either in the architecture of his book, or in his language. He may have been aiming to create a climate of detachment or neutrality. It takes some time, as one plods on, to realise that he is about as detached and neutral as Nesta H. Webster.

I must make it clear, however, that his is not a work of conspiracy-theory, at least in any ordinarily admissible sense. He is dealing almost exclusively with British politics, and very largely British parliamentary politics, from 1933-1939. There is little about what Stalin at Potsdam called the estimation of forces. There is very little indeed about the military balance-sheet, except for some misjudgments—such as about the strength of Italy and Poland relative to that of the Soviet Union which seemed grotesque at the time and now look just insane. America enters only in the most fugitive manner. For nearly the whole of this long book it is a matter of jostling for parliamentary office in the time of Hitler's rise, who's in, who's out, the personal interplay of Westminster politics.

In this exercise, Mr. Cowling has searched among a wide range of material, published sources, conversations, unpublished papers, including Neville Chamberlain's. Much of this will be valuable to future scholars, who will interpret it quite differently. It is, of course, of particular interest to anyone who knew some of the people concerned, and can catch the tone of voice. It would be delectable to hear Hankey's ghostly comment on being told that Chatfield was the only strategist in the War Cabinet of 1939. Hankey had spent the best part of his life thinking about strategy and, though he wasn't always right, for a generation he was much righter than anyone else in Westminster and Whitehall.

If the documents were left to speak for themselves, one might emerge with a general impression that men, all men in positions of influence and power, aren't very wise, are remarkably short-sighted, can never for long get away from their own egotisms, and aren't fit for the places they hold: that was not only specifically true in Britain between 1933 and 1939, but would be true of any similar society and wouldn't be altered if they were replaced by any alternative set of men.

Well, such an impression, though not particularly exhilarating, may be more salutary than excessive veneration of human wisdom. The sheer difficulty of political affairs in a highly articulated world is something that ought to be recognised; men just aren't good enough or clever enough to make much of a shot at it. But it certainly isn't that impression, which contains a certain sombre sense, which Mr. Cowling wishes to convey. Half-hidden under the mass of facts, submerged by the appearance of neutrality, is something very different. It is that, in the 1930s and long before, there was not a conspiracy but a kind of consensus of various self-interests, which would combine and lead the country into disastrous policies—into, in crude fact, going to war with Hitler. If he were left alone to pursue his own activities, he wasn't likely to interfere with us. If the invisible and unconscious consensus hadn't formed itself, we could have kept out of war and preserved the Empire. The people who formed this consensus might occasionally, though not often, have amiable qualities, but objectively they were very bad things—such as that irresponsible opportunist Churchill, or Anthony Eden (mysteriously described as an ideologist) or all kinds of layabouts who formed groups round those two, ambitious young self-seekers like Harold Macmillan, unspeakable figures of the Labour Party, dangerous revolutionaries such as A. L. Rowse and Roy Harrod. Gradually the consensus corroded Parliamentary opinion and so destroyed the enlightened policies of the *real leaders of Conservatism*, Baldwin, a very good thing (with which except in the aspects chosen by Mr. Cowling, many of us would agree), Neville Chamberlain, a moderately good thing, Halifax, good at least in his *appeasement period*.

History can be written in any conceivable way, so long as one doesn't take it too seriously. This idiosyncratic version of Conservatism is perhaps better left to Conservative theoreticians to come to terms with. *Certainly* it has nothing to do with High Toryism. Cecils and Cavendishes and Stanleys and their intellectual descendants would cut their throats before they had anything to do with it. But then, High Toryism is maybe a creed that can only survive in a great society. This less elevated Toryism of Mr. Cowling's persuasion reminds one uncomfortably of the Conservatism in the Third Republic, period 1935-45, Bonnet and the rest, "Better Hitler than Blum."

Lord Halifax

There is one curious phrase which suddenly shines out of Mr. Cowling's muted language. After the deposition of Chamberlain, Mr. Cowling refers to Kingsley Wood as "the indispensable Judas." It is the sharpest outcry of emotion in the whole book. What a singular Judas! What a singular Jesus, as far as that goes. *The Impact of Hitler* is a singular gospel.

Cypriot tracks

BY GEORGE ROWELL

Journey into Cyprus by Colin Thubron. Heinemann, £4.90. 259 pages

At any period this journal would have great value, for it *was written on foot*: the author walked some 600 of Cyprus's toughest miles, his roof the stars or the humblest of Cypriot homes, both Greek and Turkish. But chance has given the book *another distinction*, for the journey was undertaken less than a year before the catastrophic events of July, 1974, so that the picture drawn is of the island in the last spasms of its seemingly doomed struggle to preserve *some sort of* indivisibility.

Purchased by blistered and bleeding feet, strained back and sweating flesh, this picture is extraordinarily detailed and vivid. As the author claims: "On foot, the slow emergence of the *mountains imparts character* to each. It is the difference between a glimpse and a stare." Mr. Thubron's stamina is matched by his intellectual strength. An accomplished linguist and historian, his passionate concern for antiquity in all its aspects—mythological, architectural, conceptual—lends weight and warmth to every chapter. Occasionally his search for style betrays his memory: it is difficult to fathom how "the sea, lashing in from the Turkish motherland" can "cast a *grey, hard halo*" round Kokkina, a village on the north-west coast, but such lapses are few.

Sensitive and scholarly, Mr. Thubron's greatest gift is none the less his skill in sketching with a few strokes the good and generous folk who befriended him. Predictably, many of these portraits have a political framework, yet the purity of the sitter leaves the frame tarnished and tasteless. Meletios, an elderly olive-farmer from the Mersiniki district, humbly offered the traveller a night's shelter. Next morning a neighbour revealed that Meletios, although innocent, had been interned by the British for three years.

"But he knew that I was British?"

"Yes. But you didn't do it, did you?" He picked up his hoe again. "The times make us mad." He waved me on my way.

"Go to the good!"

There are also some fascinating grotesques, such as the professional strong-man, terrified of women, who once glimpsed his Soul-Mate in a German town and kept vigil outside her home for four nights without seeing her again; and a demented Brother at the Monastery of St. Barnabas who had bought high-fi equipment in Los Angeles, concealed *it in his cell*, and *cried out* to his astonished visitor: "I've committed horrors . . . I've shaken the heavens. God is the ocean of sweetness. *But I go back to sin as a dog to its vomit.*" The intensity of the author's vision *sometimes* makes for strained syntax and laborious reading, but this labour is amply rewarded.

Storm among the teacups

BY CHRISTOPHER JOHNSON

The Nationalization of British Industry 1945-51 by Sir Norman Chester. HMSO, £21.00. 1,075 pages

The new official peacetime history could not have begun with a more topical subject than nationalisation. The problems which the Labour Government encountered in 1945 in taking over coal, gas, electricity, railways, road transport and steel, are still with us to-day, some of them as far from solution as ever. *The current nationalisation* of shipbuilding and aircraft manufacture raises the same issues all over again, and Government participation in North Sea oil brings up a number of new ones as well.

Sir Norman Chester has had access to Cabinet and departmental records, and acknowledges the "numerous cups of tea" with which the civil service helped him to plough through them. Whatever the present Government's views about the Crossman diaries, it has agreed to lift the veil after a quarter of a century on some of the disagreements between Ministers and their civil servants in an area of policy to which the political pendulum has swung again.

The *limitations of official* history, combined with the author's own penchant for viewing reality through the neutral spectacles of the administrator, have made this a monumental source book, rather than the magisterial account of the politics and economics of nationalisation for which we are still left in hope. Sir Norman sees his task as one of having to describe in great detail the process of policy formulation and legislation through which the Labour Party's major election promises were implemented. He does not go behind the official documents to explore the basic political and economic arguments for and against nationalisation, nor does his time-scale give him *much opportunity to consider* how far the results expected from the programme were achieved.

Sir Norman cites a number of different arguments in favour of nationalisation in the course of the book: control of the "commanding heights" of the economy; the need to direct scarce investment resources into the correct priorities; social responsibility of important industries both to consumers and workers; more efficient management of previously fragmented sectors; and *the elimination of* monopolistic malpractices. He does not set them out in any detail; perhaps he is aware that the Labour Party nationalised mainly because of a long-standing and inescapable commitment to its trade union supporters which it rather unexpectedly had to fulfil at short notice with little advance preparation. It is a tribute to the civil service that the result was, if not all that the idealists had hoped, something less than total disaster.

The book is set out as a comparative analysis of each issue as it applied to all the industries taken over. First comes the scope of the activities to be nationalised—in to-day's terms, for example, should ship-repairing as well as shipbuilding be included? (Mr. Benn was in no doubt about that, but should have pondered a remark by his father quoted in this book about the damaging effect on industrial initiative of impending nationalisation). On compensation, there were two main issues; first, should it be based on asset value, however defined, or on market value of the shares, and if so over what period? (Either method still has its drawbacks.) Secondly, should it be paid in cash, or in Government stock—which Dr. Dalton then thought expensive at 3 per cent.

The interim period between the announcement to nationalise and vesting day went up to as much as five years in the case of steel, and Sir Norman does not deal very fully with the damage done to key industries while marking time in the limbo *between the private and public* domain. He covers industrial structure, and shows how easily it was assumed in many cases that nationalisation meant a monolithic, centralised industry, irrespective of the drawbacks of enormous size. This leads him on to the composition of the boards, where again there was little realisation of the management problems of finding suitable people to run vast new empires at modest salaries with little security of tenure.

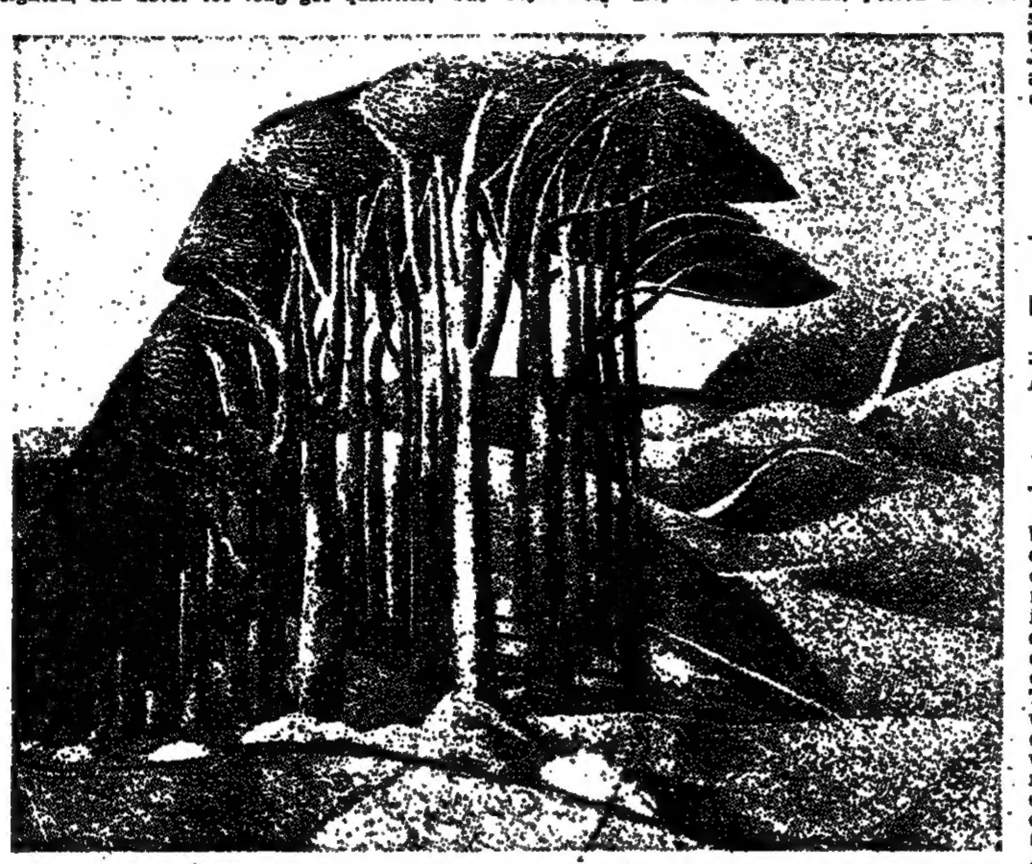
The chapter on financial provisions foreshadows the unfinished debate about whether public industries are supposed to be profit centres in their own right, or an instrument of official economic management. It is a *pity that Sir Norman does not* bring in some elementary economic analysis to explain the conflict between the obvious orthodoxy that public corporations should break even, "taking one year with another" (or one half-century with another, as Sir Dennis Robertson quipped), and the view then put by the Economic Section of the Treasury that it was to the advantage of society that they should adopt marginal cost pricing, even if it meant running at a loss. The nationalised industries now get the worst of both worlds, since marginal costs are in many cases high, and prices are way below them because of short-sighted anti-inflationary reasoning which results in *anti-social losses*.

The case for keeping prices as low as possible is dealt with in a section on the consumer, but the intellectual link with the marginal costing argument is missing. The employee, for *whose sake it was done, is shown* as remaining remote from the centre of power, and participation is still to-day a matter for the future as it was then.

The last chapter deals with the control exercised by Ministers and Parliament over the nationalised industries, which has been inadequate to prevent major errors of stategy, but close enough in matters of detail to inhibit the entrepreneurial spirit. Supervisory boards of non-executive directors, of the kind now *under discussion for private in*dustry, are one solution worth considering, which existed in embryo in the Iron and Steel Corporation before it was denationalised.

If there is a moral in this continuing political saga, it is that nationalisation by consensus is less damaging to the economy than bitterly contested cases, such as steel, which was denationalised in 1953, only to be renationalised in 1966. Sir Norman points out that the Labour Cabinet was divided on steel nationalisation, and went as far as to discuss a compromise involving public control which stopped short of ownership. The shipbuilding industry to-day is *re-enacting the history* of the steel industry in the 1940's in seeking a similar kind of "mixed economy" solution, and the steel industry's current performance is hardly an argument in favour of more thoroughgoing nationalisation.

Even in the industries which the Conservatives, perhaps too readily, concurred in keeping nationalised, the power which the trade unions have finally claimed as their inheritance is a threat to economic *stability* because the revolutionary idea of giving the workers responsibility in running "their" industries hardly occurred to a Labour Government to which the managerial bureaucracy of wartime had become second nature.



"Wood on the Downs" by Paul Nash which appears in Britain Observed: The landscape through artists' eyes by Geoffrey Grigson. (Phaidon £9.95, 203 pages.)

Fiction

Party time

BY WILLIAM KEEGAN

But the Dead are Many by Frank Hardy. Bodley Head, £3.75. 293 pages

The Understudy by Elia Kazan. Collins, £3.50. 352 pages

Direct Flight to Allah by René Deville. Collins, £3.50. 254 pages

Dangerous French Mistress and Other Stories by Laurie Colwin. Chatto and Windus, £2.75. 136 pages

The often deliberate confusion *of form and content is one of* the many besetting sins of our age. A novel like *Ulysses* in the end had to be judged on its merits, and not on its structural relationship to the Odyssey. Similarly, Frank Hardy's *But the Dead are Many* must be subjected to more tests than the accuracy with which it achieves Mr. Hardy's professed target of "a novel in fugue form . . . a definite number of voices stating and developing a theme contrapuntally . . . exposition . . . *development . . . climax . . . coda* . . ." etc.

The comparison with Joyce is not unfair, at least to Frank Hardy. Despite the execrable dust cover — which makes the illustrations on the average cheap novelette look like Turners —this is a very ambitious work.

At one level it is a high-class detective story, tracing the background to the suicide of John Morel—a leading but not too successful figure in the Australian Communist Party. At another, it is investigating what went wrong for a whole generation of Communists. The struggles of "revisionists" like Morel with comrades and conscience are linked with the struggles, trial and death of Morel's own mentor — Nicolai Buratakov — whose trial he attends in 1938, whose daughter Morel has an affair with, whose widow provides vital clues to the presumed suicidal tendencies in Buratakov himself.

Morel has gone from one religion, Catholicism, to another—or has he? He preaches that the Communist Party must establish a set of values which applies to means as well as ends; recognises *that the Party has treated* people as "Its rather than Thous." His mind is not only tortured by the cruelty of the cause he has espoused; also by memories of his father's own suicide, his mother's possessive *breasts, the impotence* of his relationship with his wife and children (sic), the inability of the Party official to avoid piling up bourgeois debts.

No psychiatric book is left unturned by his mate Jack (*a fugue-like alter ego?*) in the search for what went wrong, and there are plenty of trails and counter-trails left by Morel himself. The self-imposed death of the values-salesman in a seedy, up-country hotel is justified in a testament which harps tragically on Morel's need to transcend himself by dying, to be remembered for what he ought to have been: a testament of whose logic not all his Jesuit teachers would have been proud.

The tragedy is unfolded with consummate skill and great narrative strength. Yet one is not as moved as one would be by a truly great work. The female characters are badly delineated—a *fault* which the narrator concedes, and which is perhaps de rigeur in the Great Australian male novel. More important, however, is the unfortunate bathos of the parallels drawn between the Russian *Buratakov and Morel's condition*, which involves an altogether lower form of martyrdom. That is the real tragedy, although the author only seems to register this in the subconscious to which he is so attached.

Elia Kazan's *The Understudy* is another modern tragedy, with self-consciously Aeschylean undertones. Sidney Castleman —né Schlossberg—is a declining Broadway star, a truly great actor, as he constantly reminds Sonny, the narrator, his under*study*. *Sonny got his chance* from Castleman, who had previously taken his chance with Sonny's mother.

Sonny's star is in the ascendant as Castleman's falls; motivated by a mixture of guilt (the old man is now *his* understudy) loyalty, and a desire to humiliate, Sonny allows the ailing Castleman to become an increasing drain on his own meagre financial and emotional resources, to the inevitable detriment of an already shaky marriage.

Castleman ("True tragedy takes place because of what the person to whom it happens is") never gives up hope of the great comeback, in which he will star as the Great Scientist, disillusioned with the atomic bomb he had a hand in, who invents something bigger and gives it to the smallest power on earth . . . "Prometheus' revenge. Doomsday!"

Relief from the fray takes *Sonny to Kenya on safari*, where his attempt to find himself brings advice from the safari leader to disengage from emotional entanglements and play the strong animal — advice whose force is diminished when *its proponent is shot by the hus*band of a girl from whose emotion he has evidently failed to disentangle himself.

Back to the New York jungle, where the company Castleman keeps is sinking lower and lower as he tries to finance the great comeback, and Sonny attempts to shake off the "mechanical rabbit" charge which Castleman levels at his acting. By this time all characters are well into the New York underworld in a brilliant climax which makes good holiday thriller reading.

Also in the good holiday reading class—and much more light-hearted—is the highly entertaining *Direct Flight to Allah*, by René Deville, alias the better-known Romain Gary. Model Stephanie flies to Haddan in the Middle East and gets involved not so much in fashionable poses as in a black comedy of arms deals and revolutions, with severed heads and a local CIA agent called Rousseau thrown in. Fast and funny.

I also recommend *Dangerous French Mistress and Other Stories*, by Laurie Colwin. Miss Colwin is another in the long line of Americans who are alleged to be revitalising the short story single-handed, and she makes a very good attempt.

A dip in the well

BY RICHARD JOHNS

A Hundred Million Dollars a Day: Inside the World of Middle-East Money by Michael Field. Sidgwick and Jackson, £6.95. 240 pages

Accustomed as we have become to perennial payments deficits of respectable Western countries and the problem of recycling petroleum revenues, it is *difficult sometimes* to appreciate that "OPEC-alypse"—as one journalist wag put it—occurred less than two years ago. Those 12 days in October, 1973, when the producing states decided to set their own prices without going through the formality of negotiating with the companies set in motion the deluge of petrodollars. From that moment the hotels of Arabia and the Gulf have been strained to bursting point by businessmen, consultants and bankers—some of them as ignorant of the local financial terrain as they are speculative.

With a book like Michael Field's *A Hundred Million Dollars a Day* in their brief-cases that category would be very much better informed. *As a solid* piece of readable research which started back in 1972 before the monetary upheaval, it has the essential historical perspective. Field's work also has the virtue of placing the facts and figures in the *context of the oil-rich* Arabs' own thinking on how their resources should be deployed. Like a river with many different tributaries constantly changing course, this fluid subject is a difficult one to map out with any finality. But quite apart from its value as background Field's outline and analysis should give it a few years of good shelf-life at least to the book.

Wisely he has not ventured into a hazardous futuristic exercise of predicting surpluses. Sub titled "Inside the world of Middle East money," non-Arab Iran is excluded from its scope apart from the competent introductory chapters about the oil producers' assertion of their muscle and Iraq, with its closed socialist economy, is not examined in any detail. However, the author has ferreted deeply among prime sources in Saudi Arabia, Kuwait and other Gulf States as well as Beirut, which has profited from the oil boom, bringing out a wealth of intriguing and informative though, somewhat disappointingly, not scandalous detail.

While some recent Arab property purchases in the West have been well-publicised, it is not so well appreciated that the enterprising U.S.-owned Keyes Realty Incorporated did six \$1m.-plus deals with individual Arab investors between 1965 and 1969 or that the Kuwait foreign exchange dealers Muza'ni and the United Trading group have transferred as much private capital to the West as any of the big five commercial banks in the state. Apart from the famous entrepreneur Adnan Kashoggi, who plunged straight away into overseas operations, there is interesting and original material on the build-up of Saudi, Qatari and Dubaian commercial empires.

The chapter on oil states' investment policies and portfolios is an outstanding feature of a book which contains more illuminating information on the burning and topical question of Arab oil money than any of the expensive and dry manuals on the honey-pot which have been marketed in the past six months.

هكذا من الرجال

LABOUR NEWS

● NEWS ANALYSIS—INCREMENTAL PAYMENTS

Ladder through a loophole

BY CHRISTIAN TYLER, LABOUR STAFF

THERE IS one corner of the Government's anti-inflation policy that is generating almost as much heat as the £6 wage limit itself: *the exemption of incremental* pay rises.

Increments, or wage-for-age scales, are paid to thousands of white-collar workers, especially in the public services, as well as to some manual workers.

In previous incomes policies, established annual increments have been let through without much debate despite regular objections from the CBI. But this time, thanks largely to the *CBI's renewed opposition to* their exemption, followed by public service unions' fight for them within the TUC general council, the issue has been plucked from obscurity and special attention has been paid *to it*—most recently in the digest of the policy published in the Department of Employment News this week as part of the Government's propaganda campaign on the policy.

Grey areas

There are, of course, other grey areas to the White Paper—not even the Civil Service draftsmen could boil down to a one-*line instruction* a policy attempting to cover all types and methods of payment, visible and invisible.

These grey areas include such things as merit rises, promotion, job security, pensions, commis*sion payments, fringe benefits* and London weighting.

All have to be fitted to the £6 limit and the £8,500-a-year cut-off. The Government is deliberately leaving those areas grey for fear of loop-hole hunters. The general view is that it is the spirit of the thing that counts, and the less expatiation by Ministers the better.

Because of this, Mr. Michael Foot, Employment Secretary, has made only one major speech on the details of the White Paper in the House of Commons. From now on, it seems, problem cases will be dealt with individually and privately wherever possible.

Sales appeal

The peculiar problem about increments this time is that they just do not fit the concept—and hence the sales appeal—of the policy.

The broad and simple message of the policy is aimed at the *individual: you should not take* more than a £6 a week increase this year, and you should take nothing if you earn £8,500 a year or more. But if you are a Civil Servant, council officer, teacher, bank clerk or anyone else on an *incremental scale (worth* between £1 and £5 a week) you may have more than £6 provided that in paying you your due, the employer does not increase his total wage bill.

Enough people must fall off the ladder through, for example resignations and retirements, to offset the cost of accommodating new recruits so that the wage bill is financially self-balancing.

This is where group calculations become more important than simply what is paid to the individual, because the employer —if the wage bill stops being self-balancing and actually increases—has to calculate the total increase in the cost. The extra cost should then be divided by the number of employees affected and their £6 maximum *rise reduced accordingly.*

Theoretically, then, the Civil Service Department and other big public service employers, will have to calculate in advance whether they are facing a net addition to their wage bill this year. Such a calculation would be enormously difficult if it were to be strictly performed.

For the purposes of the policy, therefore public service employees are likely simply to take projected recruitment and retirement figures to see whether they balance. In the Civil Service and local authorities the balance is expected to be sufficiently close: in education less so because of the large numbers of young teachers who form a bulge near the bottom of the incremental ladder. Even here it is unlikely that the Government will swoop down and tell teachers that some of their increment must be offset against the £6 limit.

In the private sector—notably banks and insurance and some of the bigger companies—similar accounts will have to be kept and produced when the employer goes to the Price Commission to justify a price rise. The banks, for instance, do not expect much problem. Generally speaking, too, the bigger the organisation, the less likelihood of an awkward over-run in the incremental payroll.

Incremental payments are to be allowed, then, despite the opposition of many manual unions who do not accept the main defence of the exemption: that in manual work an adult starts at his maximum while in many white-collar jobs he has to work towards the "rate for the *job" over a period of years.*

Merit payments, a similar but much less formal way of rewarding experience and reponsibility, will not be allowed to follow through the same gap, even though under the Pay Board last year some employers were able to argue that they were an essential and formal ingredient in many established salary structures.

By the same token, phoney promotion will clearly be against the spirit of the policy.

Commission

As for bonus and commission *payments, apparently they will* be allowed provided the percentage bases are not altered, since they are seen as the white-collar equivalent of existing shop-floor productivity and overtime schemes.

*The £8,500 cut-off is clearly in*tended to be absolute. Executives with profit-sharing arrangements or successful stockbrokers would be expected to waive their rises —although the risk of "detection" is of course small to non-existent.

Indeed, the whole policy, so long as it remains voluntary, depends on employers and unions bowing to the spirit rather than the letter of the White Paper.

For that reason alone, the Government must be sincerely hoping that the argument about increments slides quietly back into its customary oblivion.

Redundancy plan rejected by NVT shop stewards

BY JOHN WYLES, LABOUR REPORTER

SHOP STEWARDS at Norton Villiers Triumph's Small Heath Birmingham, factory, yesterday rejected management proposals for a virtual 75 per cent. cut in the labour force through 1,000 redundancies.

The NVT plan, set out in a confidential document, has shocked the Small Heath stewards because it means that motor-cycle production, presently running at about 100 machines a week, would be brought to a *near standstill.*

The document makes it clear that if the 1,000 redundancies go ahead most of the 400 workers left at the plant would be mainly engaged in the light engineering sub-contract work which is the other half of the factory's business.

In negotiations with stewards, the company, which is refusing to make any statement on the plan, has blamed the need for the redundancies on a cash flow crisis brought about by a slump in its motor cycle sales in America. The Government's refusal to give the company any *more cash aid has made the job* cuts inevitable, says the management.

In yesterday's talks, the company did not apparently make any detailed reference to the situation at its Wolverhampton plant, now in the hands of the Official Receiver, despite its earlier statements that if the 1,800 workers there lifted a blockade on the transfer of machinery the scale of the run-down at Small Heath might be reduced.

A spokesman for the Small Heath shop stewards said yesterday that they would not accept *the 1,000 proposed redundancies* but would continue negotiations "to see what is the best deal we can get."

Burton sales staff are first in £6 queue

By Our Labour Correspondent

SOME 8,000 retail staff employed in the Burton-Jackson tailoring group have become one of the first sections of shopworkers to benefit from the full £6-a-week limit set by the Government's pay policy.

A package agreement concluded by the Union of Shop Distributive and Allied Workers provides for £6-a-week increases for managers and all adult retail staff payable from November 10 *—exactly one year after their* previous annual deal.

The agreement means a new guaranteed minimum earnings level of £2,184 (£42 a week) for adult sales assistants and equal pay for women by the end of the year.

Several USDAW agreements concluded before the Government's pay policy was unveiled have since been dropped. The most important of these covered 150,000 staff employed in multiple grocery stores who were to have received increases of between £3.45 and £4.20 a week for shop assistants and up to £6 for managers. These were shelved after the Department of Employment ruled they would have to be withheld for three months to comply with the 12-month ruling embodied in the Government's policy.

Now USDAW is expected to press for £6 rises all round from the November annual settlement date—a move which if successful could prove more inflationary than the agreement that was abandoned.

Chrysler claims it leads way with worker-director scheme

BY ROY ROGERS, LABOUR CORRESPONDENT

CHRYSLER U.K. yesterday claimed that its worker-participation proposals, at present being considered by shop stewards, were "ahead of anything planned for any major manufacturing company in Britain."

The claim came from Mr. Peter Griffiths, the company's deputy managing director with *responsibility for industrial rela*tions, who released the first official details of the proposals which were revealed in yesterday's Financial Times.

They would, said Mr. Griffiths, involve representatives of employees in the decision-making process and running of the company from the Board down to day-to-day plant operations.

As reported yesterday, the company has offered the workers, through their unions, two seats on the main Board and representation on decision-making committees at both local and national level.

It emerged yesterday that management is thinking in *terms of between two and four* employees' representatives on the various committees which are at present some 10 to 12 strong. The company's main Board comprises 13 at the moment.

*Under the Chrysler employee-*participation programme the company proposes the setting-up of plant employee representative committees (PERCs), which would meet weekly, with the plant manager in the chair, to discuss and review the operation of the plant.

A PERC would also appoint *representatives to key decision-*making committees in the plant covering such matters as production levels, manning, quantity and quality, recruitment, safety, working hours, training and canteen facilities.

Profit-sharing

Each PERC would also elect representatives to the Chrysler Employee Representative Council (CERC), on which would sit senior management executives.

The CERC, which would have about 24 employee representatives, would meet regularly to discuss and review all aspects of the company's operations. It would also appoint two directors to the Board of directors and appoint employee representatives to the company's existing network of key decision-making bodies.

They would include the operations committee, which is responsible for the day-to-day running of all aspects of the company, committees concerned with such things as new model policy, future levels of pro*duction and sales, the use of* energy resources, and quality and reliability.

Other items in the package of proposals include the introduction of national pay negotiations —replacing the existing 54 bargaining units—and an independent arbitration procedure. A profit-sharing scheme is to be outlined to shop stewards later.

Some shop stewards, notably those at the company's Stoke Coventry engine works, have come out against the proposals, presumably because they fear *their negotiating power* would diminish if they were introduced.

Next week, a meeting of shop stewards from all plants meet to give their collective view of the proposals which if accepted in principle by September 1, will mean £60 lump sum payments for all 27,000 Chrysler workers.

Under a offer made when the scheme was outlined in May, a further £50 is on offer if the scheme is finalised by the end of the year.

Meanwhile the 1,200 men laid off from the company's Luton and Dunstable plants by a pay strike involving 46 inspectors, have been recalled at least until *next Wednesday.*

They will be employed on annual stocktaking which has been brought forward because of the production halt caused by the dispute

● Triumph has laid off 2,200 car workers from its *Liverpool* factories, following the decision of stacker truck drivers to continue their strike in support of a colleague who was sacked for refusing to obey a supervisor.

Bid to salvage Chunnel project

A NEW attempt to salvage the Channel Tunnel project was launched yesterday by leaders of national railway unions from EEC member countries.

Common Market countries are to be urged to join with Britain and France in funding and building the project, which was abandoned by the Government in January.

As part of the campaign, an international delegation of leading railway trade unionists is to go to Brussels, in line with decisions taken yesterday in Harrogate, Yorkshire.

Delegates from the 2m.-strong railwaymen's section of the international Transport Workers' *Federation unanimously approvd* a National Union of Railwaymen-backed proposal which said the conference believed that a rail link between Britain and France was "a vital contribution" to the transport system of the European Community.

It called on member unions of the international federation to exert pressure upon the EEC to build a Channel Tunnel from funds provided by the member *states of the community.*

NGA secretary expected to retire early

By Our Labour Reporter

MR. JOHN BONFIELD is expected to retire next year as general secretary of the National Graphical Association after a career spanning nearly 30 years as a full-time trade union official.

He is understood to have told the NGA's national council a fortnight ago that he intends an early *retirement next year, when he* will be 61. Mr. Bonfield refused to comment yesterday but it is believed that he will leave his job shortly after the union's biennial conference next June.

Mr. Bonfield became general secretary of the Typographical Association in 1957 and general secretary of the NGA in 1968 after a print union merger. He said several years ago that he wants to retire early and since *then has had several bouts of* illness.

Election of a successor may be held late this year or early next year and providing that he decides to stand, Mr. Joe Wade, the NGA's assistant general secretary, is likely to be the frontrunner.

Union ends 'blacking' at Birmingham Post

BY OUR LABOUR REPORTER

MANAGEMENT AT the Birmingham Post and Evening Mail claimed yesterday that a major obstacle to the continued *publica*tion of the two newspapers has been removed following a decision by local print union officials to lift a "blacking" campaign.

Members of the National Society of Operative Printers, Graphical and Media Personnel employed by the two newspapers have been "blacking" all specially delivered newsprint in support of the 250 Birmingham journalists involved in a six-week pay dispute which is still deadlocked.

The employers have been forced to make special arrangements for newsprint deliveries because *Birmingham area* lorry drivers belonging to the Transport and General Workers' Union refused to drive across the journalists' picket lines.

According to a management spokesman yesterday, Natsopa has now agreed to lift its "blacking," which has lasted five days, provided the men driving the newsprint lorries are union members. The spokesman said that meeting this requirement had not caused the company any serious problems so far during the dispute and that the paper's developing shortage of newsprint would now be ended.

● Talks were held yesterday between the Birmingham branch of the National Union of Journalists and the Chief Constable of the West Midlands, Mr. Philip Knights, about picketing incidents which resulted in ten journalists being fined last week.

After the meeting an NUJ spokesman said the Chief Constable had made it quite clear that plainclothes officers in*volved in the incident were* merely passing by on their way from the adjoining police headquarters. They acted on their own initiative when they saw what they considered to be a breach of the peace developing. There was no new policy on the use of plainclothes men.

Observer peace hopes raised

THE LAST obstacle to a solution to the redundancy dispute at the Observer seemed to have been overcome last night. Members of the 120-strong chapel (office union branch) of the National Graphical Association voted in principle to accept a peace formula hammered out with the newspaper's management.

Mr. Joseph Wade, NGA assist*ant general secretary,* said that it was accepted subject to certain matters of detail being agreed.

"I am reasonably optimistic that they will not prevent a final settlement being made," he said.

Members of the other unions have already agreed to accept similar terms.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Automatic screw cutting

CLAIMED TO be a new concept, the Threadmatic is said to be suitable for attachment to most centre lathes for automatic screw-cutting, while ease of changing to a different pitch and length, make it economic for small batch production. Speed of operation is also said to make it competitive with purpose-designed machines for medium and long *batch runs.*

The attachment produces a square path cutting motion, while accuracy is ensured by using the machine leadscrew. The forward motion of the saddle, and thus the cutting tool, is effected by engaging the existing half nuts by means of an air cylinder, operated by a signal from a timing dial fitted in place of the chasing dial. The signal ensures that the half nuts are only engaged when they are in correct alignment with the leadscrew.

As the half nuts are engaged, the cutting tool is fed forward under air pressure to its cutting position. The saddle travels along the bed of the lathe until the required length of thread has been cut.

The half nuts are disengaged, the cutting tool is retracted, the indexing mechanism by which the depth of cut of each pass is determined is indexed one position, and the saddle is returned to the start. This procedure will continue until the indexing mechanism reaches its end-of-cycle position. The number of passes required, to a maximum of 22, is set on the index handle before screwcutting commences.

Typical cutting speed for a 12 tpi/2 mm. pitch thread is 1,000 rpm. The attachment can be fitted to most centre lathes with a swing up to 380 mm.

Made by F. Bell and Son, Shire Hill Industrial Estate, Saffron Walden, Essex CB11 3AQ (0799 23187), the automatic cycling of the unit is said to enable screw-cutting to be carried out by semi-skilled labour.

● OFFICE EQUIPMENT

Faster mail handling

THREE MAIL room products are being introduced by Pitney Bowes, the Pinnacles, Harlow, Essex CM19 5BD (0279 26731).

Model 3320 two-station inserter automatically opens the flaps of envelopes (sizes up to 6¾ in x 10 in.) ready to receive either one or two inserts. Detectors safeguard against doubles or skips and stop the machine if either occurs. It will also automatically position addressed material correctly for insertion in window envelopes.

Modular design allows the new unit to be easily combined with a model 1861 folding machine, at the paper feeding end, and a model 5300 postage meter at the other end, to create a variety of mailing systems.

The *second new product* is the model 3335 envelope turner. This small unit transports envelopes from the inserter to the mailing machine for automatic sealing, postage metering and stacking.

Model 1250 mail opener accepts envelopes *of almost any* size. A jogger shifts the envelope contents away from the edge to be cut and then feeds the envelopes through to the large capacity feed hopper for processing. A mere whisker is removed from the envelopes ensuring the protection of contents, says the company.

● INSTRUMENTS

Tiny desk displays

SMALL, low-cost, visual display terminals manufactured by Informer of Los Angeles are being introduced to Britain by the newly appointed sole agents, Cole Electronics Ltd. Measuring only 5½ inches across the screen *diagonal, the* lightweight terminal is offered in a choice of styles and finishes for commercial and home office environments. These desk-top units may be connected directly to a computer or remotely by plugging into any telephone line.

Two models are available: Model D-301 with full duplex/half duplex selector switch for character-by-character transmission; Model D-302 is a polled block mode terminal. Both units weigh only 10 lb and require only 24½ inches x 6 inches desk space. Typically these terminals might be used by hospitals, airlines, and for stock control.

All terminals in the range display 16 lines of 32 characters per line. The refresh rate is 60 times per second with no interlace. Power consumption is 40 watts from a separate control unit which is fully compatible with a 220-240V, 50/60Hz mains supply. Data transmission speeds can be specified from any EIA standard up to 9600 baud rate, and an internal slide switch is supplied on the control unit to select any standard baud rate.

Cole Electronics, 33, Lower Coombe Street, Croydon CR0 1AA (01-688 6822).

● MATERIALS

Plastics to prevent corrosion

CORROSION costs British industry in the region of £1,500m. per year—approximately 2.4 per cent. of the gross national product—or so DoI asserts.

RAPRA's polymer advice service is designed to help industry save part of this enormous drain on resources by using rubber and plastics in situations where corrosion causes problems with conventional materials.

Polymeric substances can be used in many instances as linings to protect materials which corrode readily—such as mild steel *—and in the construction of such* items as pipes, tanks and containers. RAPRA, in addition to giving advice, will provide an on-site inspection service for equipment, plant and failures.

Full details of this service may be obtained from Mr. L. T. Butt, RAPRA, Shawbury, Shrewsbury SY4 4NR (09394 383).

● RESEARCH

How to get a real spin-off

THAT HIGH technology research projects have any economic utility is a much-debated point. Words such as "spin off" and "fall out" have entered the language, as organisations (among them NASA) have sought to justify massive expenditure on *research* by studies of specific technologies whose development was encouraged by advanced programmes.

A study mounted by CERN, the Geneva-based high energy physics laboratory of the European Organisation for Nuclear Research has followed a different route. It has quantifiable economic data. What is more, this is data provided by the respondents in the CERN study, not by CERN itself.

The method CERN has used places the onus of quantification on the industrial beneficiary rather than on CERN itself.

A process of winnowing down through research and interviews left CERN with 119 companies (from an initial 260) where dealing with CERN might have an economic value to the company concerned above the direct return from the sale itself.

The results indicate that from 1953 to 1973, CERN spent 394m. Swiss francs with these 119 firms (plus eight others which reported no gain in utility so far). For every 1 Swiss franc spent by CERN in the industry investigated, there were positive financial consequences of SF4.2.

The total "utility" forecast up to 1978 of the 127 firms above is estimated at 1,665m. Swiss francs.

Some 80 per cent. of the total reported utility results from sales to markets outside high energy and nuclear physics, in other words outside the research environment: Railways, shipbuilding, refrigeration, power generation and distribution, car body design and many others.

● NAVIGATION

Data from a buoy

THE NATIONAL Data Buoy DB1 *built* by the Seatek consortium of Hawker Siddeley Dynamics, EMI Electronics, R. and H. Green and Silley Weir is being commissioned to-day at Lowestoft and is to be stationed in the North Sea later this year.

Main function of the 25 feet diameter buoy is to provide a platform for advanced oceanographic and meterological sensor development. It will provide data for a variety of purposes which include improving the safety of ships and off-shore platforms, weather forecasting, storm surge warning and pollution control. The information from the sensors will be transmitted automatically via a telemetry link to a shore station at the Fisheries Research Laboratory, Lowestoft.

Parameters monitored include wind speed and direction, atmospheric pressure, humidity, air temperature, rainfall and visibility.

● POWER

Neat power supplies to boards

A MULTILAYER bus bar system introduced by Mektron N.V. of Ghent, Belgium, is claimed by the makers to provide superior mechanical and electrical characteristics with up to 40 per cent. cost savings where power supplies have to be fed to the printed board connectors in systems using many boards.

The basis of each length of *composite bus bar is a U-shaped* housing. Lying in the "U" are from two to six strip conductors sandwiched between dielectric layers and backed by a stainless steel strip which provides mechanical reinforcing and a measure of screening.

All the items are sealed within the "U" by epoxy resin, including the terminal wires which project from each of the bus bars at intervals along the length of the strip.

These terminals are arranged to be at the same height as the *connector pins* with which each pair of bus bar composites is associated, the connectors being arranged in ladder fashion down the pair of strips, fixed to lugs provided.

Since the terminal pins are precisely located with their ends in the same plane as the board connector pins, automated wire wrap wiring systems can be used.

The bus bars suppress noise *spikes and crosstalk,* and eliminate power reflections between source and load. The low conductor resistance allows high currents to be distributed with very small voltage drops.

More information about the system, which has been named Eurobus, from Mektron N.V., 188 Afrikalaan, 9000 Ghent, Belgium.

● PRINTING

Boxes can be screen printed

A HAND-OPERATED flat screen printer, with an automatic vacuum system, has been developed by Excel Screen Process Supplies, Century Works, Havelock Road, Southall, Middx., UB2 4PJ (01-574 5382).

Intended for flat stock such as paper, board, and plastic sheet (including circuit boards), a major feature of the machine is *the parallel cantilever screen* holder which has sufficient height adjustment to accommodate rectangular work-pieces up to 180 mm thick.

This enables screen printing to *be* carried out on 1 gallon or 5-litre square cans, boxes, containers and covers in wood, plastic or metal. Height adjustment is by two lock screw adjusters—the screen remains parallel to the bed.

Known as the Handiprint, the machine's floating bed has a 10 mm adjustment all round allowing an x-y movement. The bed's working area is 570 × 585 mm, with a perforated vacuum bed area of 425 × 450 mm.

Horizontally adjustable side arms of the screen frame holder will take any width screen up to 520 mm and there are five screw positions each side giving depth *adjustment for screens* up to 520 mm deep. Claimed to cost considerably less than comparable models, the machine is priced at £175 plus VAT.

● PROCESSING

Extracting iron from wastes

A CLEVELAND company has developed an electric iron-making process that, it says, is cheap, clean and can use waste materials.

Although the capacity of the new process is too small to eliminate the use of blast furnaces, officials of the McDowell Wellman Engineering Company say the new method can benefit foundries, special steel producers *and large, integrated steel mills.*

Company spokesmen describe the process as using a submerged arc electric furnace that can be turned on and off each day instead of having to operate constantly as blast furnaces do. The electric furnace uses small amounts of coal and natural gas.

The process can run on waste materials such as flue dust, mill scale, blast furnace sludge and the fine red dust produced by basic oxygen furnaces. The wastes are blended with finely ground coal, are moistened and *then pelletised,* using equipment and technology already in use.

While the pellets are still red hot, they are mixed with limestone as a flux and charged continuously into an electric arc furnace before they get a chance to cool. The furnace completes the transformation of the mixture into molten iron and slag.

The Property Market

BY JOHN TRAFFORD

The big institutions just keep on buying

INSTITUTIONAL investment interest in well let offices—and to a lesser extent in shops and industrial premises—in the south of the country continues unabated but with virtually all the deals concentrated in the £100,000 to £800,000 range. In the past fortnight (the Financial Times was not published last Friday) no less than 13 substantial deals have been revealed.

The most interesting has been Siege Estate's success in selling its 12,000 square foot freehold office block at 84, Mortlake Road, Richmond, Surrey, to an unnamed pension fund for over £750,000—an initial yield of 7 per cent. With the two other sales made since the abortive Siege portfolio auction in June, sales now total nearly £1.2m.

Knight Frank and Rutley and Allsops, joint agents for Siege, describe the Mortlake deal as evidence that "the siege has lifted further" but with £20m. of property in the portfolio it is too early to say that the relief party is in sight.

The other investment deals have been as follows:

Surbiton: 7,400 square foot Kingston House, Portsmouth Road, sold to ICL Pension Fund for £490,000. The building is fully let to the Guardian Royal Exchange Group for £40,700 a year which indicates a yield of more than 8 per cent.

City: 6,800 square foot 7/9 Bream's Buildings (a Haslemere refurbishment) let to Target Trust Group for £45,000 with an open market review in 1978 has also been bought by the ICL Pension Fund for £600,000.

London, N.W.10: J. S. Bloor has sold its new 46,000 square foot warehouse/16,000 square foot office block development in Old Oak Lane to Carlsberg Distributors for about £1m. This is one of the few owner-occupier deals recently reported and probably equates to a yield of 1-1.5 per cent. above the yield acceptable to an institution.

Southampton: Oakhill Developments (Property) have sold their office and showroom development at Shirley, Southampton, to a pension fund for £335,000. The deal was agreed back in 1973 and provides no pointer on yields.

Aylesbury: the long leasehold on an 8,000 square foot office block at 13/15 George Street has been bought by a major insurance company from Castlestone Investments for more than £300,000. The building is let to Buckinghamshire County Council for £26,750 a year suggesting a net yield of just below 8 per cent. If the building had been freehold the yield would probably have been below 7 per cent.

Alton: 5,000 square foot Lenten House, a Georgian office building, has been bought by a pension fund for £160,000 from Leigh Developments. The office is let to Bausch and Lomb at £14,000 a year. The yield was about 8.75 per cent.

Tooting: a freehold shop and office development let to Ravel Shoes, Medicare and Bowaters has been bought by an institution for nearly £500,000. Initial net income is just under £40,000 with a substantial increase in 1978.

Perivale: a pre-war single storey low headroom 42,500 square foot factory let to Hoover at a rental of £55,000 a year has been sold by Alpine Holdings to a private pension fund for £440,000. Net yield is around 12 per cent. which compares with around 10 per cent. for a good modern industrial unit in the area.

Aldershot: A freehold warehouse at 162, North Lane let to Marks and Spencer has been bought by the United Biscuit Pension Fund for £337,000—one of the more substantial industrial deals done recently.

Nottingham: A long leasehold on D. H. Lawrence House, an important office block, has been bought by a large institution for £110,000.

Harrogate: The freehold of shop premises at Station Square has been bought from MacFisheries by the Bradford and Bingley Building Society for £140,000.

Leeds: A 16,000-square-foot 1902 office building in Park Row, the city's main financial centre, has been bought by Commercial Development Projects of Elland for about £500,000. The developers intend to spend a modest sum on refurbishment and, with rents as high as £4 a square foot in the vicinity, could see a yield far exceeding anything now available for prime refurbished office investments in the supposedly fashionable south-east.

British Land's reassessment

SOME City commentators thought that British Land had not been sufficiently ruthless in cutting the value of its property portfolio from £288m. (the figure in the books based on an April, 1974, valuation) to £235m. which was the directors' assessment of current values at the end of the company's last financial year (March 31, 1975).

A closer look at the figures suggests, however, that the company has cut back values very drastically indeed. Of the £288m. total some £30m. is development in progress which it is reasonable to continue to value at cost. A further £80m. is overseas properties which, with currency fluctuations and a now higher proportion of completions and lettings have probably gone up but at least have not fallen. If these two items are removed it appears that British Land has cut £53m. from the rest of its portfolio, valued at £178m. in April last year.

This represents a reduction of almost 30 per cent. in the estimated value of U.K. completed properties and development sites. It is known that the development sites value, £10m. at the time of the official valuation, has been cut to the bone but even so the cut in the estimated value of completed properties has been well above 25 per cent.

There is a further point here which makes this reduction even greater than it seems. Ninety one per cent. of British Land's portfolio is freeholds or long leaseholds, much of it with a highly reversionary content. Most of the major reversions mature within three years. Thus, if the property market had held steady over the past 12 months the British Land valuation should have risen by a substantial margin because the reversion dates were a year nearer realisation. As the reversions become due one must expect the group's rental income, at present a little above £20m. a year to rise quite perceptibly.

The main talking point on British Land reversions is, inevitably, the 360,000 square foot Plantation House in the City. Two interesting points emerge about the property. Firstly, only about 30 per cent. of the space is let at rents below market; secondly, most of these reversions become due in March, 1978, which is not very long into the future. At that point it should be possible for the building to generate about £5m. in rents which, probably account for some 20 per cent. of the group's rental income.

Much of the comment on the 1975 report and accounts has concentrated on the footnotes and the auditor's qualifications. But many a chairman would benefit from studying the presentation of a Consolidated Capital Account which distinguishes between realised capital profits (and losses) and unrealised items. Furthermore one might wish to see more property companies publish a source and application of funds statement as part of their report. After all, a statement of this kind will be required for trading periods starting after January 1 next year so some people might begin to get their eye in before then.

Developments awaited

THREE new developments have been announced this week and, if the comments of the developers are anything to go by, all three will actually come about. Mackenzie Hill has been granted planning permission to develop a 16 acre industrial site at North Wallington near Fareham in Hampshire. The permission follows negotiations with both Hampshire County and Fareham Borough Councils in which Mackenzie Hill agreed to leave 11 acres of open space alongside the river Wallington. Work will start next year on the 325,000 square feet first phase comprising factories and warehouses in units from 10,000 square feet upwards.

Romulus Construction has won planning permission and a speculative ODP for 20,000 square feet net of offices and 2,250 square feet of showrooms on an island site in Fulham Broadway, West London. The project is due to start shortly.

Romulus has also got planning permission and a speculative ODP for 32,000 square foot net of air-conditioned office space in the King's Road as part of a large residential redevelopment scheme which it is to carry out with The Orbit Housing Group on a cleared one-acre site at the junction of Gunter Grove and the King's Road. This project is also expected to start shortly.

Office sums at Arundel Court

DID Chemical Bank get a good, bad or indifferent deal when it took the Strand Wing of Arundel Great Court in central London last May? For some time the question has remained uncertain, largely because everyone seems to have sworn everyone else to silence.

My comment ten days ago that the office element in the letting was believed to have been about £14 a square foot brought strong reaction from some quarters with the suggestion that overall the letting represented less than £10 a square foot. It is worth stressing that word overall, however, since the problem was that nine ground-floor shops of 8,100 square feet plus lower ground storage space of 11,300 square feet and a basement area of 9,700 square feet were included. There was in fact just under 80,000 square feet of normal office accommodation in the 108,700 square feet of space that was let.

The one fact that has now emerged with some clarity is that Chemical Bank finally agreed to pay only about three-quarters of the asking rent of £1.50m. a year, which works out at around £1.15m. or £10.60 a square foot overall. If one takes out the shops and allows, say, 4.50 a square foot for the basement area the office rent works out at around £13 a square foot. Now it is the reader's turn to decide who struck a good deal.

Letting agents for the developers are Matthews and Goodman; Sinclair Goldsmith represented Chemical Bank.

The bank itself is pushing ahead with fitting out its new headquarters. It is taking two of the nine shops itself to make a large banking hall on the ground floor. Of the remaining seven shops, two are expected to be let very soon and negotiations are well advanced for the letting of two more.

Grosvenor gets a tenant

IT looks as though Grosvenor Square Properties is about to let one of the two large office blocks it has built at Stonebridge Park, Wembley, a site which fronts on to the North Circular Road in London. The developers were asking £7.25 a square foot for the 52,400 square foot South Block. An international oil company with interests in the North Sea is said to be on the point of taking the letting, which is certainly encouraging for Grosvenor since the block is only now nearing completion.

The South Block, like the 65,600 square feet North Block, is fully air conditioned which accounts for the relatively high asking rent. News of the letting of the North Block is now awaited.

Jones Lang Wootton is acting as letting agents for the developers.

OUT AND ABOUT

● International General Electric Company of New York has paid a premium of about £500,000 for a lease expiring on December 25, 1982, for the 16,000 square foot office called Park Lorne in Park Road, Regents Park, London, NW8. The lease requires an annual rental of £22,500. The vendors, Carreras Rothman, were represented by Healey and Baker, while Higgins Harron represented International General Electric.

● Philippine National Bank has acquired an additional 4,000 square feet of office space at 103, Cannon Street from the City of London Real Property Company for a rental of under £9 a square foot. The premises are now being modernised. Smith Melzack represented City of London Real and Higgins Harron represented the Philippine National Bank.

● Equity and Law Life Assurance, through its agents Stanley Alder and Price of Bristol, has now fully let its 29,000 square foot office development at 28, Baldwin Street, Bristol, to four clients. Rentals range from £3 to £4 a square foot. The ground floor has been let to an American Banking Group; the majority of the building to a major oil company, and the remainder to a merchant bank and a firm of chartered loss adjusters.

● Marbleford has asked us to point out that they are not a subsidiary of Fortress Trust, as was reported in this column on August 1, page 10.

INDUSTRIAL AND BUSINESS PROPERTY

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INDUSTRIAL AND BUSINESS PROPERTY ALSO APPEARS TO-DAY ON THE FOLLOWING PAGE

NORTH SEA OIL REVIEW BY ADRIAN HAMILTON

Turn of the tide in the East Shetlands

THE MOST important, as well as the most encouraging, development of the past month must be the successful placement of both Mobil's Beryl A platform and Shell/Esso's Brent B platform in the Shetlands area.

The moves are more than just a mark of considerable success for the Norwegian Condeep design for concrete gravity structures and the construction abilities of the Norwegian Constructors group at Stavanger.

They are also the first physical signs of progress on the immense and crucial development of oil in the East Shetlands area. It is on this area from which some two-thirds of total U.K. offshore oil output is expected to come that the fortunes of U.K. North Sea oil production largely hinge; and it is in this area where many of the most troubling problems have arisen—the delays in U.K. platform construction, the long-drawn-out negotiations between the oil companies and the Shetlands Council, and the doubts and uncertainties over whether the pipeline and on-shore facilities can be completed even within the revised schedules.

Agreement

No-one could say that the development is finally "in the bag." But the last few months have undoubtedly seen a renewed confidence that events are moving ahead and that good weather and an improvement in the political climate should enable the fields to start delivering oil through the Brent pipeline to Sullom Voe by the target date of mid-1977, or at least by the end of that year.

Laying of the main Brent system 36-inch line from the gathering site at the Cormorant Field to Sullom Voe has proceeded with remarkable speed, thanks partly to the good weather, and the line is now some 60 per cent. complete with the strong possibility that it could be almost all completed by the end of the season.

On-shore, the signing of the Sullom Voe Association agreement earlier this year, and more recently, the agreement on the Ports and Harbour dues and expenditure have gone a long way to overcoming the most difficult obstacles to an agreement between the Shetlands Islanders and the industry. The construction force for the £300m. or more on-shore project has now started moving into the camps and there are hopes that at least the minimum facilities in terms of above-ground storage tanks and a first jetty can be built on time.

Off-shore, the Brent B platform, for all the delays associated with some of the other three platforms, has at least been positioned properly and has apparently dug itself in better than expected. All being well, the derrick and the flare facilities can be installed within the coming month or so for drilling to commence in time for production to start from 4 or 5 wells next spring, when the platform should be joined by Brent A, now under construction at RDL's site in Methil.

Further south, the Beryl Field programme is also reported to be going well. The platform has now been positioned and the first sub-sea deep-water well in the North Sea has been prepared, and by the end of this year the field should be in production.

Confidence has also been expressed by some of the other operators, most notably Burmah Development (ex-Signal) on the Thistle Field that their production schedule—in this case March 1977—can be met.

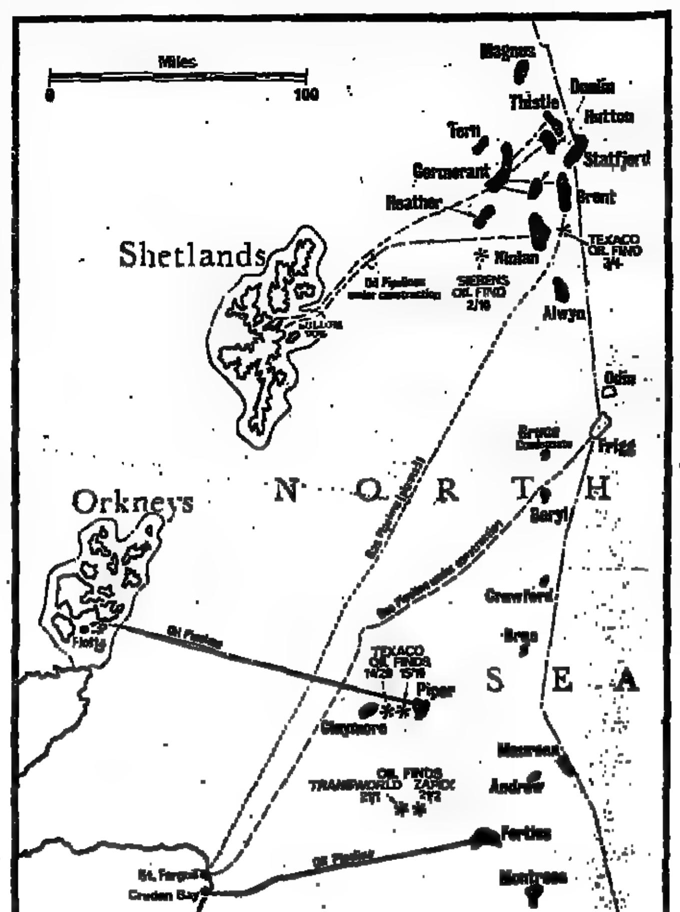
There is still a long way to go, of course. The whole East Shetlands development is still crucially dependent on two points—the placement of the central gathering platform at Cormorant and the completion of at least preliminary facilities on-shore at Sullom Voe; and both these points remain highly vulnerable to further delay.

Deadline

Construction of the Cormorant platform, which will act both as a pipeline gathering platform and as a producing platform in its own right, has already been seriously delayed at McAlpine-Sea Tank's site at Ardyne Point. Placement is not scheduled now until 1977 and it is a moot point whether the installation can take place in time to gather the lines from the various surrounding fields—Brent, Dunlin and Thistle—in time for the mid-1977 deadline.

At the same time, the first production through the Brent line, even if completed on time, has been diminished by the delays on other field platforms. Because of the amount of installation work which will be required on both the Cormorant and Brent C platforms, both of which are under construction at Ardyne Point, actual production from Cormorant and from the Brent C platform, is unlikely to start until the spring of 1978, and even this is dependent on the platforms being able to find deep-water berths for the final phase of construction.

Equally, although the first phase of construction work on the Dunlin platform, being carried out by the Anglo-Dutch Andoc group in Rotterdam, has gone fairly well, there are again both problems of final assembly in a deep-water site off Scotland as well as reported difficulties over the decks. The deadline of a 1976 float-out thus looks a tight one and, according to some sources at least, is beginning to look a little doubtful.



In the next phase of development, the bringing on stream of the Ninian line, there remain a number of unanswered questions about both the rate of development from the Ninian Field and the source of oil from additional fields to fill the 1m. barrel-a-day line. Although the operators remain reasonably confident that they can instal the two platforms already ordered from Nigg Bay and Loch Kishorn on time in 1977, both BP and Chevron seem much more doubtful about the wisdom of adding a third platform following the latest re-evaluation of reserves and costs on the field.

Discussions, meanwhile, are going on between BP, as operator for the line, and other groups with the fields in the vicinity about joining the line. Some hopes have been expressed that the Unocal group, which withdrew from participation earlier in the year, will now rejoin under revised terms and preliminary talks are also reported to have been started between BP and Mobil/Statoil over the possible use of the line for transporting oil from the giant Statfjord Field in the Norwegian sector of the North Sea to Sullom Voe at a rate of around 5-600,000 barrels per day.

A Statfjord deal would certainly solve most of BP's problems about filling the line. But the whole question of the destination of Statfjord oil and gas—a minority portion of perhaps 15 per cent. of which lies in U.K. territory—is a highly sensitive one in Norwegian politics. Mobil and Statoil are due to put their own ideas for development before the Norwegian Government, and presumably the U.K. Government also, by next January, which may be only the start of the discussion.

Without Statfjord, BP has alternatives in Alwyn, Heather and other fields in the region. But these are mostly relatively small fields and it will be a hard job to get them to fill the 6-700,000 barrels a day spare capacity in the line. Nor, in to-day's climate of cost and politics, do some of the operators of the fields seem in any hurry to decide on a development programme.

Yet, for all the difficulties and questions that remain, the fact is that the development is getting into gear. There seems every hope now that the first platforms on Brent and Beryl will start producing, using tanker transport, on schedule.

Even if the installation of the Cormorant platform and the work on-shore at Sullom Voe slips a little, there are contingency plans. Both Brent and Thistle in the initial phases are planned to produce using tanker loading. If the Cormorant platform looks like being further delayed, the lines from the fields could be tied into the main 36-inch line using temporary by-passes. Oil could be handled at Sullom Voe using fairly rudimentary facilities. Provided that there is a jetty and at least a couple of storage tanks, the processing facilities on the platforms would probably be sufficient to send the oil through.

Just as important, the simple fact that the East Shetlands development now seems at last underway must prove a considerable tonic to the atmosphere of the North Sea. After more than a year of upset and delay, what the banks and Government as much as the companies have really needed is some signs that the worst of the "learning curve" difficulties are over and that some hard cash is finally going to come in. With the Forties Feld, Auk and Beryl all due on stream by the end of this year, and Brent and possibly Piper due to start production early next year, the worst may well be over and the best be at last in sight.

APPOINTMENTS

Chevron U.K. chief executive change

Mr. Philip J. M. Wilson has been appointed managing director of CHEVRON OIL (U.K.) from September 1. He succeeds Mr. J. E. Smith, who is returning to a senior managerial post with the Chevron Group's Western Operations Inc. at San Francisco. Mr. M. Hodge succeeds Mr. Wilson as managing director of Chevron International Oil Company, Marine Sales, Eastern Hemisphere.

Mr. Philip Wilson

★

Mr. M. E. Burt, currently head of research management division in the directorate general of research of the Department of the Environment, has been appointed deputy director of the BUILDING RESEARCH ESTABLISHMENT from September 8. He succeeds Dr. Bernard Steele who was appointed Borough Housing Officer to the London Borough of Haringey on secondment from BRE in May.

★

Mr. R. R. Morris has been appointed a director of PRESTCOLD HOLDINGS with responsibility for home and direct export sales. Mr. C. Vaughan Jones, previously U.K. sales director, will now act in a non-executive capacity for health reasons.

★

Mr. Christopher J. Lord has been appointed managing director of KAWNEER U.K., a subsidiary of Alumax U.K. He replaces Mr. Michael A. Edwards, who has left to take up another appointment. Mr. Kenneth A. Linsay has been made financial controller and Mr. Hugo Reimers, production director.

★

Mr. Gordon Mackie has been appointed sales and contracts director of ALLAN W. BERRY and has also been made managing director of a subsidiary, West End Engine Works (Successors). Mr. Charles Dawson joins the Board of Allan W. Berry as technical director.

★

Mr. John Marshall has been appointed director of procurement and materials control for NETTLEFOLD ENGINEERING DISTRIBUTORS which now controls all the industrial fastener distribution companies in GKN Fastener and Hardware Distributors.

★

Mr. Peter J. Agg has been appointed to the Board of HERON MOTOR GROUP.

★

Mr. John Killip, founder member of AIDO (Association of Industrial Development Officers) has been appointed industrial development adviser to the BANTU INVESTMENT CORPORATION, of South Africa, the £60m. body dedicated to the economic development of the Bantu Homelands.

★

Mr. D. Saffer has been appointed managing director of BEVINGTON LOWNDES.

★

MANUFACTURERS EQUIPMENT COMPANY, the Fenner group's materials handling division, has appointed two new directors—Mr. M. G. Thomson, the technical manager, and Mr. J. D. Gabbott, the works manager.

★

Mr. Mike Bevan has been appointed chairman of the Board of COMET COMPUTING SYSTEMS, designers and manufacturers of mini computer systems and peripherals, including the Comet terminal. He was previously a director of TRIAD COMPUTING SYSTEMS.

★

Following the acquisition by AKTIEBOLAGET SVENSKA KULLAGERFABRIKEN (SKF), of Sweden, of SHEFFIELD TWIST DRILL Mr. John Lawrence Dickinson and Mr. Bengt Kihlberg have joined the Board of SHEFFIELD TWIST DRILL, of which Mr. Dickinson has also been appointed deputy chairman. Mr. Dickinson is managing director of SKF (U.K.) Ltd., and Mr. Kihlberg deputy managing director of Aktiebolaget Svenska Kullagerfabriken.

★

WYCOMBE MARSH PAPER MILLS (a subsidiary of Bunzl Pulp and Paper) has made the following changes in the responsibilities of three senior directors within its papermaking division from October 1. They are Mr. R. A. Eccles (production director) who becomes technical director; Mr. R. L. Phillips (marketing director) appointed production director; and Mr. M. E. White (technical director), now marketing director.

★

Mr. G. J. Melmoth has been appointed secretary designate of the CO-OPERATIVE WHOLESALE SOCIETY, from December 1, to succeed Mr. Tom Taylor, when he retires in June. At present, Mr. Melmoth is secretary of Letraset International.

★

Mr. Brian Gibbens has joined the Board of MATTHEWS AND YATES as production director.

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The Executive's World

The happenings at Avon

BY NICHOLAS LESLIE

THE resignation of both the managing director and finance director of a company causes concern at the best of times. But for it to happen at Avon Rubber—a company which two months ago reported a first half loss of £762,000 and which is heavily involved in the tyre and general motor industries, both currently depressed—may justifiably leave the observer in trepidation as to what may happen next.

John Swanborough, former managing director of Avon Rubber.

However, the reality of the departure of John Swanborough and Bryon Horton appears to be that the status quo will be maintained and that the possibility of any radical change in the company's operations has receded with their going rather than if they had won the day in the Boardroom struggle which reached its climax on Monday of last week.

Fundamentally, the aim of the two factions was the same—to relegate tyre and other motor industry activity, still the dominating sales and profit source, to a minor role in the group. It was when the decisions had to be made to achieve this objective that the differences of opinion began to show up, and significantly so in recent months.

Despite the rift, both factions appear to have remained on good terms, and it is perhaps because of this that only the bare outlines of the arguments have emerged. Nonetheless, the picture that can be built up is interesting for the sharp contrast it reveals in management views on how best to plan the future of a company—which has been heavily dependent on one sector of industry, has built up alternative business, but feels a pressing need to dilute the risks of its structure.

The Swanborough/Horton faction appears to have taken a very pessimistic view of the future of the motor industry and decided that, to achieve a necessary immediate diversification the least profitable tyre activity—perhaps exports—should be trimmed along with some industrial division product lines going to the motor industry. Manufacturing and labour capacity thus freed would be diverted to other existing and new products. While the cash level of sales might fall, releasing working capital requirement, they would hopefully be more profitable.

The view of the majority faction appears to be that, while dependence on tyres and the motor industry must be reduced, this should be achieved by building up the other industrial interests—the company makes, for example, parts for the domestic appliance industry—and the medical interests where Avon has a strong position in blood transfusion equipment. Any trimming of tyre interests, which they consider unnecessary, could reduce activity in the factories to loss-making levels and jeapordise the replacement tyres and motorway depots businesses. Unlike Swanborough and Horton, they seem to expect a fairly early economic recovery and feel any moves should await that event.

That a split should have come is perhaps not surprising. In 1969, Avon reached a watershed when, blaming the credit squeeze, it abandoned construction of a new £6m. radial tyre factory at Washington, Co. Durham, selling it to Dunlop. It was then that Avon ceased to be a contender in the major tyre market along with the giants like Dunlop and Goodyear. It largely withdrew from the original tyre market to concentrate on its industrial activities and its motorway depots and inflatables divisions.

But the profit record has nonetheless been erratic. In the five years to September, 1974, they varied from £320,000 pre-tax in 1968-69, to a peak £2.3m. in 1970-71, falling from £2.23m. to £1.94m. in 1973-74 before sliding into a heavy deficit in the current year so far.

Against this background and the current further slump in tyres both viewpoints can be appreciated. But Avon is a rather highly-geared company and any changes require careful judgment of risk. It was at that point that the two sides parted company. The majority would probably concede that their conservative approach will pull Avon through but that it will take some time to relegate tyres and motor industry to a minor role. On the other hand, Swanborough and Horton would probably agree that their plan could either have set Avon fair for the future within two years, or could have produced a disaster.

Putting the best foot forward

BY RHYS DAVID

WITH THE consumer protection movement criticising it on the one hand, and low cost imports threatening it on the other, the shoe industry in Britain can be forgiven for acquiring over recent years a somewhat down at heel image.

With the market down in size and imports continuing at a high level, a number of manufacturers have had to make severe cuts in their labour forces.

The retailers for their part are waiting to see what will emerge from the Office of Fair Trading, which is now working on a code of conduct for the industry in the light of its finding that shoe shops represented, in a nine month period last year, the *biggest single source of* complaints from consumers. And that is just part of John Timpson's problems.

The present seems less than an auspicious time to take over as head of the second biggest U.K. shoe retailing chain, William Timpson, which has more than 400 shops and some 3.5m. customers last year. John Timpson, the 32-year-old great-grandson of the founder is the man who has emerged as managing director after a management upheaval. But this is not the usual story of succession within a family firm.

John Timpson is the only Timpson involved in the management of the company and has returned after a period with another part of the UDS group, of which Timpsons has been a member since 1972.

For the past two years John Timpson has been responsible for running the Swears and Wells chain which UDS acquired in the 1960s—a job he will now combine with his new role at Timpsons.

At William Timpson, which with 400 shops is very much number two behind the 2,000 plus chain of the British Shoe Corporation, there is scope for a transformation. The company's shops—heavily concentrated in the North—have recently shown only a modest increase in turnover and have declined in profitability. The company's traditional position has been at the lower end of the trade and its image has been solid and somewhat unexciting.

'Shoe shops represented, in a nine month period last year, the biggest single source of complaints from customers'

According to John Timpson, the problems are in the main those of shopkeeping—the way for example the windows are dressed and the way customers are handled. For this reason he will not be aiming at radical changes, into other types of merchandise or in the consumer groups which the shops will try to attract.

Timpsons instead will try to strengthen its position and reputation as a good value supplier of shoes to all the family, offering a high standard of service, and as a first step towards attaining this status a new "no questions asked" approach to the problem of shoe complaints is being introduced.

"Our managers have my personal authority to return cash to any customer with a reasonable complaint. If a manager believes the complaint is unjustified he must explain to the customer why and if he or she is still not satisfied they will be given a letter addressed to me which can be completed and sent. I will then make sure there is a proper investigation," he says.

Timpsons reckon that problems account for about 3 per cent of turnover—currently around £14m. But some lines of shoes—including a number of best sellers, and a bigger proportion of imports than domestic production, account for 10-12 per cent. of trouble.

Another move being made by the chain, in advance of any code of conduct from the Office of Fair Trading, is to provide more information about shoes to the public in the hope that this too will cut complaints. Customers will be given leaflets explaining how shoes should be looked after with a list of do's and don'ts for getting the most out of them. Other moves are intended to tell customers clearly what shoes are made of, recommended cleaning materials, and perhaps most importantly of all, the type of use for which they are suitable.

More guidance will also be given in the sale of children's shoes. Timpsons is hoping to increase from the present 40 the number of shops in the group offering shoes in width fittings, even though the incentive for doing so on strictly commercial grounds is not strong. Sources of supply are limited because the handful of manufacturers making width fittings tend to restrict the number of franchises they offer. This has to be done to protect retailers offering this service because of the need with width fittings to keep three times as much stock. At the same time public demand is not as substantial as it might be.

John Timpson, himself a buyer with the chain before his move to Swears and Wells, is also planning to work more closely with U.K. manufacturers in a bid to step up the proportion of domestically produced shoes in the group's shops. At present shoe retailers can hardly afford not to include in their ranges men's shoes, for example, from Eastern Europe, which are being landed at prices significantly below those of domestic producers. Thus while sympathetic with U.K. maufacturers who claim the prices are artificial, the retailers say that commercial logic makes such purchases inevitable.

But in other areas, according to John Timpson, U.K. shoe manufacturers are losing out on style with the result that shoes are being imported which could be made in the U.K. Timpson's approach will be to try to ensure a greater feedback from the retail to the manufacturing sector so that U.K. producers will be able to concentrate more on supplying what fashion influences in the market dictate.

DESIGN

Travel broadens minds

BY DOINA THOMAS

"THE BIG company has a responsibility to itself to show that there are advantages in working as a designer within a big group," argues Eddie Pond, director of the design studio of the Wall Paper Manufacturer's company, a subsidiary of the £968.6m. turnover Reed International. All too often, Mr. Pond says, the disadvantage of working for a large organisation is that it *dominates* a designer's attitudes and so, inevitably, influences his work.

The advantages of a large company, at least for designers if not others, lies largely in the size of its purse. It can pay for designers to take sabbaticals, go on study tours, international conferences or just visit designers in other countries. The benefits of constant stimulation of this kind cannot be overstressed particularly as designers in large companies are often confined to a narrow channel of work.

What WPM did for Eddie Pond was to pay his fare to Austria, as well as allowing him the time at company expense to join an international seminar held in the tiny Tyrolean village of Serfaus. The seminar was organised by the International Council of the Societies of Industrial Design, otherwise known as ICSID, but Mr. Pond was sent on behalf of the Society of Industrial Artists and Designers, the British member organisation of ICSID.

The Interdesign seminars, held periodically, focus the minds of around 20 designers of different nationalities on one local problem. At Serfaus this year the problem was to preserve community identity in the village which was rapidly becoming a very popular ski location. Pond was selected to go partly, he thinks, because he is passionately interested in winter sports and the safety of winter-sports equipment.

Eddie Pond design director at WPM

While Mr. Pond will cheerfully admit that he thoroughly enjoyed his time at Serfaus, all expenses paid by ICSID, he is positive that the community and the company benefited as much as he did. "It was like a refresher course for me," Mr. Pond comments, "not to mention training scheme and outdoor pursuit scheme, all rolled into one."

Also, of course, a designer in Mr. Pond's position, heading a studio of around 140 designers, probably spends more time managing than designing. As Mr. Pond observes, the fact that his colleagues on this seminar were in equally senior positions in their home countries meant "that one had to learn to work with similar strong minded, self willed people—not an easy task."

The benefits to the company are less immediate. Mr. Pond argues that a company to whom design is important, *as it* obviously is to a wall paper manufacturer, must be seen to be creditworthy, in design terms, internationally. It is good for recruitment and might mitigate the disadvantages of size. Representation at such international get togethers is, in Mr. Pond's view, one way of establishing such a reputation. And by contributing the time of a senior employee the company can be seen to be contributing to the exchange of design ideas internationally.

But what of the advantages to Serfaus, host to this horde of top design talent for two weeks? It can be argued that very little positive contribution could result from such brief co-operation by people previously unknown to each other and handicapped to a certain extent by differing languages.

Mr. Pond counters that it would be impossible to collect together a design team of such high standing in any other way and that, by virtue of being "informed" professional outsiders, this team could get into places, and establish recommendations, that would be prohibited to locals or nationals. Awe can be a wonderfully useful weapon.

In the case of Serfaus the publicity attendant on this gathering brought home the problems of the village, the gradual swamping of its identity, and the possibility of rescuing the situation, to those who could do something about it. "It brought the people together," says Mr. Pond, "and informed outsiders were *able to point out solutions* to problems that locals had come to accept as inevitable." And the village was given the opportunity to preserve the heritage that had brought tourists, and possible ruination, in its wake.

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FRIDAY, AUGUST 22, 1975

It could have been worse

THE TOTAL number of people in the U.K. registered as unemployed in early August amounted to just over 1¼m. or 5.4 per cent. of the registered labour force. A Government which allowed inflation to roar ahead unchecked for months on end, and which itself aggravated the situation by *declaring that it would* never countenance the use of high unemployment as an economic weapon, cannot shuffle off the whole blame for this state of affairs on to the world recession. But nor, on the other hand, is there much point in seeking to deny that this is a very high figure which involves much serious hardship.

The main reason for seeking to *adjust the raw figures,* as most commentators have done for years past, is not to play down the hardship caused by unemployment but to turn the unemployment *figures* (which are precise and prompt by the standard of official statistics) into a more useful economic indicator. One can only guess at the number of unemployed who would be poor job prospects under most normal conditions: the over-sixties are by no means all in receipt of a pension, and some of those who have at present been unemployed for less than four weeks will remain unemployed for considerably longer. But Northern Ireland is a special case; allowance can be made for purely seasonal fluctuations; and it clearly makes sense to *eliminate school-leavers and* adult students from the figures, as well as those who are only temporarily laid off from work, when one is seeking to establish the *long-term trend* of unemployment.

Adjusted figure

This is a valid procedure, *even when the number of* school-leavers registering as unemployed for the first time is (as on this occasion) unusually large and presents an unusually *serious social problem* of its own. The adjusted figure shows *a very much smaller rise in the* number of those wholly without work than in the previous month, and the rolling three-monthly average also shows that *the rate of increase has fallen.* It is far too early to tell with assurance whether or not the upswing is levelling out—there is, in any case, a good deal of concealed unemployment among those who are not eligible for benefit and *simply drop out of* the official statistics during a recession—but it would not have been surprising if yesterday's figures had been worse.

There are two other, apparently hopeful features of the August figures, apart from the fact that the incidence of unemployment now seems to be much less regionally unequal than used to be the case. The *first is that there has been a* small but widespread increase in the number of registered job vacancies: the second is that the number of workers on short-time appears (on the basis of estimated figures) to have been *dropping. So far as vacancies* are concerned, one may hope that there has been some improvement—while remembering that the proportion of vacant jobs registered is too small and fluctuates too much for the *published total* to be a reliable indicator. So far as short-time working goes, however, it is possible that the recent drop—coinciding as it does with the start of the summer holiday season—means no more than *that some short-time workers* have now become wholly unemployed.

Union attitude

Unemployment in Britain is still well below the levels it has reached in some other industrialised countries, and the £6 pay limit is intended to help bring about a quick change in inflationary expectations and so *keep unemployment lower than* would otherwise have been inevitable. The Government has made it clear that the £6 is not an automatic rise for everyone, since some firms may not be able to afford it in full, *but a maximum. It is all the* more to be regretted, therefore, that just before the Prime Minister's broadcast, in which he claimed massive support from the trade union movement, Mr. Len Murray should *have gone out of his way to* argue that unions should seek to get the full £6 and that "the word seek implies get." It is not merely the apparent discrepancy *of aim* between the Government and the TUC that *is to be regretted,* though that will cause trouble enough in practice. The more fundamental cause for dismay is that Mr. Murray, and the trade *union leaders for whom he* speaks, seem not to realise even now that if trade unions seek, and use their power to get, larger pay increases than particular firms can afford, they are themselves responsible for *pushing up the level of unemployment.*

A flurry of diplomatic activity begins soon, centering on the price of oil. **Adrian Hamilton reports**

Oil: producers and consumers settle for interdependence

THIS autumn will see a series of high-sounding and, some argue, *crucial* international meetings on economic issues. Ministers of the EEC, the Commonwealth and such institutions as the IMF, the United Nations and the Organisation of Petroleum Exporting Countries (OPEC) are all due *to hold conferences to find solutions* for the world's current economic woes, and to seek a new world order stabilising economic relations between the *developed and developing world.*

The meetings will range over a wide number of issues, philosophical as well as practical, from commodities and finance *to the continued membership* of Israel and South Africa in *the United Nations. But at the* back of all of it will loom the central question of oil and the future course of oil prices, with all that they mean for the balance of payments of importing countries, rich and poor, *and the position of the oil producers* as potential leaders of the Third World.

The nearly fivefold increase in crude oil prices over the last two years has not, as the producers themselves have implied, *necessarily been the* most important cause for the economic recession through which most of the world has been passing. But it has been a major factor, both because of its impact on inflation rates in *the West and its radical effect* on balance of payments positions and financial holdings. Even more important, it has become a symbol of the dramatic changes in the world's economic order. It was oil *which most vividly illustrated* the sudden lurch into resource scarcity and high commodity prices of 1972-73. It was the oil producers of OPEC who most imperiously showed the way to a new relationship between *primary producers and* the industrialised world: and it has been the success of the oil producers in holding their prices against all the odds over *the last year which has seemed* to demonstrate to the other raw *material producers just how* this change in the balance of power between developed and developing world might be defended and built upon.

Low levels of demand

The success of the producers in maintaining price levels is a *remarkable and perhaps unprecedented achievement.* As in the case of almost every other commodity, the economic recession among the major industrialised countries has seen the demand for oil plummet *to quite unexpected low* levels during the last two years. Consumption rates during 1974 fell in almost every nation at rates varying from nearly 3 per cent. in Japan and 4 per cent. in the U.S. to up to 10 per cent. in the European nations.

During the first half of *this* year, as the economic recession has bitten more deeply, the *figures show yet further declines* of several per cent. and, while there are signs that the fall is *now bottoming* out and that the last quarter of this year and the next year will see some rise again, it will not be until 1977 or 1978 at the earliest that con*sumption levels will return to* their peak levels of the autumn of 1973.

Yet, unlike most other commodities, crude oil has not fallen in price *as a consequence.* Surpluses in the market and competition on the garage forecourt have led to substantial price cutting at the pump and a fall in *product prices in the free market* of Germany and the marginal markets of Rotterdam and Italy. Individual producing countries with particularly high traditional price premia for freight or quality advantages *have been forced to reduce* their prices and extend credit terms in order to *hold their* position. There have been spot cargoes at reduced prices emerging in the Gulf through "a cousin of the cousin of the *ruler's nephew.*" But the fundamental base price on which all others are set—the posted and market price of Saudi Arabian oil—has remained unaffected, despite all the predictions of free market economists and the oft-repeated urgings *of some* sectors of the U.S. Government.

Concentrated sources

The reasons are not hard to find. Oil may be like other commodities in many ways. But it is also unique in the degree to which *the industrialised economies have come to depend on it* for their economic growth, and in the degree to which its sources are concentrated in a *few* countries in the Middle East, the most important of whom, *Saudi Arabia, has no internal* need to produce anything like the quantities it does. As long as Saudi Arabia has been prepared to act as the "swing *producer," lowering its output* when demand falls, it has not been necessary for OPEC to act as a cartel in the classic sense of consciously organising output so that it does not exceed demand—a role in any case car*ried out for them by the oil* companies operating the normal commercial practice of adjusting their liftings to suit their refinery runs. Overall, surpluses *of funds among producers may* have been greatly reduced by higher expenditure and a drop in exports. Individually, countries like Algeria and Abu Dhabi may have faced difficulties. But so long as countries like Kuwait and Saudi Arabia have been able to accept lower sales, then the position has been tolerable.

As consumption rates have bottomed out and crude oil production *has started its seasonal* rise, the producers have therefore turned their attention to where they go next. While as a group they have survived the *last year intact,* they have undoubtedly suffered severely from the earlier *decline in the* dollar parity and from the rate of inflation in the West, which has steadily eroded the real value of their dollar earnings.

Faced with an apparent lack of response from the consumers last winter to their pleas for a *negotiated solution* to oil pricing which would keep prices moving up with the *rate of* inflation, the last OPEC meeting saw the consumers determined both to revise the form of dollar calculation for oil *prices and to impose price* increases this autumn to recoup some of the effects of past inflation.

At the same time, the con*sumers themselves* have had to face the fact that oil prices, because of the peculiar structure of the industry and the strength of OPEC, were most *unlikely to fall into a free* market situation where price reductions *automatically* followed falling demand and surplus supplies. Following the abortive Paris meeting between *producers and consumers* and the obvious intention of OPEC to seize the *initiative* with unilateral price increases, the consumers themselves have begun to change their approach to long-term price arrangements not *only for oil but also* for other commodities, accepting that a radical fall in oil prices was not only unlikely but also potentially damaging to their *own plans for developing* alternative oil and energy sources.

With this realisation has come not only moves towards *another, and hopefully better* prepared, meeting this autumn between consumers and producers, involving other members of the Third World, *but also a feeling that the producers* may indeed lead the way *to a new deal for the raw*-material producers and turn the tide of price falls in commodities.

But, as OPEC prepares to consider what price rise, if any, it will impose at its next meeting in September, and as the *rest of the raw material producing* world waits to see what *will emerge from the autumn* "dialogue," the situation has still not swung back into the producers' favour to the extent that more radical countries would like to see.

On the straight supply/*demand* side, consumption remains unexpectedly depressed, for all the hopes of a revival in world economic activity in the second half of the year. The *U.S. and Japan* are both showing some signs of higher growth rates and hence higher oil demand, but the signs remain highly tentative, and the European *situation remains stagnant.*

Nor has there been the kind of stock rebuilding and dramatic upsurge in marginal product prices which some of the producers *had hoped for when they* last met and which some elements of the U.S. Government and oil industry had forecast. Certainly stocks were pulled *down at an unusually rapid rate* during the first quarter of the year, when consumption *rates* were running as much as 2.5-3m. barrels per day above production. But the stock draw-down was exaggerated by the quite *abnormal rate of stock building* in the previous year, and in any *case had to be set against a* picture of lower demand and higher oil prices, when commercial prudence induced oil companies to think in terms of *lower operating levels.*

Stockbuilding is certainly going on, but the latest estimates suggest that it is at a rate of around 2-2.5m. barrels *per day which is no more than* normal at this time of year. Marginal prices of products at Rotterdam have risen by as much as $10 a ton in the first weeks of this month. While this has been enough to make some *products attractive to deal in,* it has to be set against the depressed levels of *July* and includes an element of anticipation of a price rise at the end *of September. Prices may well* rise a little further for these as *well as for seasonal reasons. But* at this stage neither the crude oil demand nor the price level looks like going up to a point where the producers could *really claim* a dramatic rise on commercial grounds alone.

Removing the sting

Added to this, the atmosphere surrounding producer-consumer relations has altered considerably within the last few months. *The rise in the value of the* dollar on the world markets has taken a good deal of the sting out of that problem. The prospects for an interim settlement between Egypt and Israel are looking relatively good. There *has been good progress in the* preliminary, bilateral moves towards a dialogue this autumn, beginning with a meeting of the ten participants of the Paris conference in mid-October and going on to a full session of 27 countries to establish commissions to study the various aspects of the dialogue, and a dramatic price rise at this stage would hardly help it along.

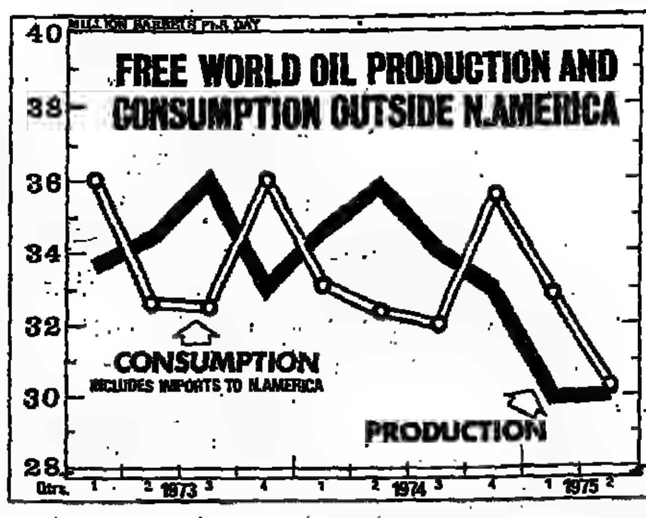
Perhaps most important of all the producers have learnt more about their interdependence with the West. The consumers *may not be able to break OPEC* and they may have to accept that OPEC oil will be a primary source of their energy for a long time to come, particularly *in view of the failures of U.S.* energy policy. But equally the producers cannot work in isolation from the economic whirlwind which they them*selves have helped to sow.* Production is still well below potential producing capacity and the constant fear of the producers must now be that any dramatic *move on oil prices* could easily nip in the bud the forecast economic revival and improved demand for oil.

Tolerable increase

It now seem unlikely therefore that OPEC will impose anything like the $3 or more per barrel *increase* which some had been predicting a few months ago. The producers may well impose some kind of increase, possibly around $1, which they might consider tolerable if uncomfortable for the West. *They may even delay* the decision again until the end of the year when progress on the dialogue may be more apparent. But neither the *market nor their own* self-interest would suggest that they have any longer the power *that* they had at the time of 1973-74 crisis—unless, that is, another Middle East war broke out.

It is against this background that the international conferences during the next month or two must be set. In one sense *they represent,* as the more radical members of the developing world have suggested, the beginning of a genuine change in the balance of power be*tween the producers of raw* materials and the manufacturing countries which have so long held predominance. Yet they also represent a situation *in which all the cards are not* held on the producer side.

As long as this is so, it is easy to understand why a dialogue should and could get off *the ground.* But it is much more difficult to see where it will get to as the fundamental problems of price indexation, reform of monetary institutions *and commodity agreements* are tackled. If the power was all on the producer side, then price indexation would seem a moderate demand but there would be *no need for a dialogue for the* producers to get what they wanted. If the power was all on the consumer side, there would be no need at all for discussion about price stabilisation arrangements and power sharing.



HOW OPEC OUTPUT HAS FALLEN
(THOUSANDS OF BARRELS PER DAY)

MIDDLE EAST	June '75 Vol.	% change from '74	Jan.-June Avg.	% change from '74	Usable Capacity
Saudi Arabia	6,820	−23.3	6,819	−18.2	10,300
Iran	5,126	−15.5	5,432	−11.3	6,500
Kuwait*	2,223	−22.9	2,133	−25.1	3,800
Iraq	2,267	+29.1	2,173	+17.2	2,600
Abu Dhabi, UAE	1,616	+ 2.2	1,200	−18.4	1,920
Dubai, UAE	277	+14.6	251	+ 8.6	317
Sharjah, UAE	39	0.0	40	0.0	45
Qatar	330	−36.4	460	−11.3	650
Mideast Total	18,698	−14.8	18,508	−13.5	26,132
OTHERS:					
Venezuela	2,400	−17.6	2,524	−19.0	3,300
Nigeria	1,600	−31.5	1,712	−24.8	2,500
Idonesia	1,100	−25.1	1,225	−16.3	1,600
Libya	1,517	−11.0	1,120	−39.1	3,000
Algeria	800	−32.9	851	−22.1	1,100
Gabon	210	+11.7	205	+22.8	210
Ecuador	140	−31.0	139	−40.3	255
OPEC Total	24,505	−17.1	26,284	−16.7	38,097

Note: OPEC pre-embargo production was 32.9 million b/d in September 1973 and post-embargo peak was 32.2 million b/d in May 1974.
** Includes Neutral Zone.*

Source: Petroleum Intelligence Weekly

Talks about talks on the Zambesi

THE MEETING between Rhodesia's Prime Minister, Mr. *Ian Smith, and the Rhodesian* African Nationalists, which is due to open on Monday morning in a South African train high above the Zambesi river, is the most dramatic development since the Southern African detente exercise was launched late last year. It is, of course, welcome as anything must be which offers the faintest possibility of an end to the ten-year stalemate in Rhodesia.

To try again

The two sides, as at the end of last year, have been coerced into Monday's talks by South *Africa and by the Black* African States led by Zambia. Clearly all these States, deeply disappointed by the events of the past few months, are pre*pared to try again to* prevent the current stalemate in Rhodesia leading to full-scale guerilla war. Yet urgent though a settlement is in Rhodesia, *there is little optimism that* this new effort can succeed where others have failed.

Next Monday's talks were set up in Pretoria after discussions between the South African Prime Minister, Mr. Vorster, and Mr. Smith. The agreement of Zambia's President, Dr. Kaunda, was sought and obtained, as presumably was that of the *Nationalists. Yet while* Mr. Smith continues to insist that the Zambesi bridge talks will do no more than mark the agreement of the two sides to negotiate in detail inside Rhodesia, at a later date, the *Nationalists maintain that this* is the constitutional conference proper. They refuse to agree to detailed negotiations within Rhodesia, partly because two of their key leaders could be imprisoned if they set foot there.

These procedural difficulties are of course a reflection of profound division on matters of substance. There is no indication at all that Mr. Smith is prepared to negotiate the rapid handover of Rhodesia to Black *rule, and none that the Africans* are willing to negotiate for anything less.

In these circumstances, the outsider has to ask once again whether the external parties to the Pretoria agreement are pre*pared to exert much greater* pressure on their respective clients than they *have done so* far. Both South Africa and the Black States seem to want a Rhodesian settlement as earnestly as before: indeed *Zambia, whose major lifeline to* the sea has only this week been cut as a result of the fighting between the Angolan liberation movements has more than ever *need for a settlement which* could allow it to use the Rhodesian rail link, cut since 1973. But on present indications neither South Africa nor the *Black States* have yet decided to employ the ultimate sanctions.

Angola, where a civil war is raging, provides a warning of what might ultimately happen in Rhodesia were efforts to get the two sides to negotiate to *fail. Although in some respects* Angola makes a settlement harder to achieve (the right-wing Whites in both Rhodesia and South Africa have been quick to point out the perils of Black rule), the one slender hope is, against all the odds, *that the Black and White delegations* assembling at the Zambesi this week-end will realise the overriding necessity of a peaceful solution in Rhodesia.

MEN AND MATTERS

Brigray fray

Garment maker *Brigray Group* should produce, a little late, its 1974 results to-day. The shares are 4p. Jack Shane, founder but fired from the Board two years ago, thinks that shareholders ought to back him for a second career with the company to revive it "provided the deterioration has not gone too far."

Thus a struggle is promised which is related to the continuing Spirella/Vantona bid battle, because Vantona owns a quarter of Brigray. Shane wants chairman and managing *director Herbert Pilkington* (chairman, too, at Vantona and unlike Dr. John Blackburn, managing director there, opposed to Spirella's offer) removed and himself, with 14 per cent. of the shares, and accountant John Landau voted in.

Shane trained as an accountant and apart from Brigray dabbled in an issuing house called Finance for Trade *(co-directors included* Jack Dellal, better-known for Dalton Barton Securities and later bankers Keyser Ullmann), sold finally to a brother of Selim *Zilkha of Mothercare.*

Vantona began buying shares in Brigray in 1970, and Pilking*ton and management* accountant Julian Richardson joined the Board. Shane thinks Vantona misunderstood what Brigray did in its factories in Wales, Leicester and Luton. *In any* event, his colleagues voted him out and Shane says he has spent the intervening time on "other interests"—for instance, *as adviser to an "international* textile group; I'd rather not name them."

He is severely critical of Pilkington, wondering how he has time to be managing director of Brigray and head Vantona, particularly with Spirella, *to say nothing of ex-chairman* Basil Glass, keeping things in *ferment. Results for Brigray* for 1974 are finally due out today; the first-half pre-tax profit fell from £60,000 to £20,000, though the latter did not include terminal losses at the closed Luton factory.

Shane's associate Landau is father to another accountant whom Shane took with him into Brigray. Martin Landau originally was anti-Shane, but later, Shane likes to think, realised "he'd backed the wrong horse" and *resigned from Brigray* earlier this year. Whatever the other connections, Brigray and Vantona are alike in the stir created by compensation terms. Glass, at 64, picked up £139,610 for leaving the Vantona chair*manship. Four years or so* younger at the time, Shane *claimed £65,000 on his dismissal,* finally obtaining £20,000 this year. Will he give it back if he returns to Brigray? "I don't feel any obligation there," he says.

Brandts bid?

The Ashbourne Investments *story, nearly two years old* and getting more complicated by the hour, has a lengthening cast, as I noted on Wednesday. A past participant may have to make a comeback. Thirteen months ago, merchant bankers Brandts withdrew as financial *advisers to Crest International* Securities, once the Siberian Syndicate, Corporate Guarantee Trust and South African property man Bernard Glazer in their bid for Ashbourne—a bid which has not materialised, to the increasing chagrin of the City Takeover Panel.

But if Brandts thought it had severed its connection with this Byzantine situation when it withdrew, it may not be feeling so confident now. As a letter from William Stern's Wilstar Securities to Brandts in November, 1973, makes clear, the bank undertook to under*write £920,000 of the consortium's* 46p-a-share bid for 57 per cent. of Ashbourne not then owned.

The Panel has made it clear *privately* that it could decide Brandts is still carrying an *obligation to make a partial* offer to the non-consortium shareholders up to the limit of its underwriting commitment. Brandts said yesterday: "There *are those who argue, and they* may include the Panel, that we *are under that obligation.*"

This is only one of several complex issues which the Panel may soon face. Corporate Guarantee Trust last week circularised its shareholders with a notice convening a meeting for *September 11 in the West End* to put the company into voluntary liquidation. It asks shareholders to approve the appointment of accountant Bernard *Phillips as liquidator.*

In March of this year Crest passed the interest payment on its 10 per cent. loan stock. Subsequently Gerry Weiss—*who, as liquidator of William* Stern's Nation Life Insurance, became trustee of the Crest stock—gave notice he could no longer act. Crest is asking the Panel to approve a capital reconstruction which would lead to consortium partner Glazer becoming a major shareholder.

On the one hand, therefore, Crest is craving the Panel's indulgence regarding its capital *reconstruction but at the same* time ignoring the Panel's wishes and not postponing the disposal of 5 per cent. of its Ashbourne stake to the new *and diminutive Topview.* The Panel's chairman is away from the fray: "I reckon we've driven him on holiday," said one participant.

Troubled waters

There was a distinctly nautical flavour to the United Dominions Trust Press conference yesterday held to talk about the annual results with the UDT chairman Leonard *Mather sailing serenely through* the Scylla and Charybdis of pointed questions on the figures —a loss of £32.4m., before tax, and no dividend for either Preference or Ordinary shares —and the amount of support which the group is still getting from the Bank of England-led lifeboat operation, estimated at upwards of £450m.

Not content with the lifeboat and the group's own *sailing ship* trademark, Mather tells shareholders: "The storm has not yet abated but our ship is battened down and specially strengthened to sail with greater confidence the rough seas which abound." And later, "We can now sail forward in good heart, plotting our course for a return to group profits in the current trading year."

But the clearing of the decks, as Mather might have said, has thrown up some not inconsider*able losses in areas far removed* from UDT's well publicised problems in the property and consumer lending fields. In Australia the group has lost £2m. *plus on a cattle fattening* business called Champion Beef which is now being sold, while the sale of a one-third interest in the Sheraton Hotel in Perth has caused further provisions of £1m. In each case the UDT involvement was an attempted salvage *operation* with equity being acquired in exchange for advances which had not been repaid, but UDT's own little lifeboat was not apparently up to *the conditions which developed.*

Observer

Credit cards are costing more to use: Access has raised interest rates and Diners Club its initial subscription fee. **Arthur Sandles reports**

Why the credit cards need the cash

CREDIT CARDS, once the plastic flagships of the affluent society, are in difficulties. Over the past few weeks there has been a proliferation of distress signals from what was once one of the most attractive corners of the banking business. One major brand name, Eurocard, the Stockholm-based group, is withdrawing from the British market—for technical reasons—and is handing over its business to Access. Access itself, the brand name of the Joint Credit Card Company, has increased its interest rates to cardholders *from 1.5 per cent. to 2 per cent.* a month; and Diners Club of Great Britain has raised its subscription levels for new members from £5 to £7.50.

Although all the cards, Eurocard excepted, are still canvassing for members, some of the frenetic marketing enthusiasm of two years ago has gone. The plain fact is that the card companies are short of cash, and some of them are taking avoiding action even though it might drive away business which, anyway, is a little sluggish. All of this is a long haul from the days when credit cards were greeted as a licence to print IOU's and regarded as yet another way for the banks to syphon off more of their customers' resources.

Difference

The problems seem to be afflicting both the "travel" card — American Express and Diners Club are the prime examples — and the "bank" cards, Access and Barclaycard. There is an essential difference between the two. The "travel" cards (so called because their basic appeal is to the affluent jet-setter) require an annual subscription for membership and have no theoretical upper credit limit. All accounts should be settled on demand in full. The "bank" cards are simply vehicles for money lending. There is no annual fee, but there is a basic borrowing limit, usually in the £100-£500 range. Accounts need not be settled in full but, under British legislation, they have to be settled at the rate of 15 per cent. repayment, or £6 monthly, whichever is the larger sum.

In the case of both types of card, retailers pay commission on each sale made. This commission, usually much less than 10 per cent., varies from outlet to outlet, but the "bank" cards generally charge retailers less than the "travel" cards. However, the "travel" cards are held by the higher spenders so are still attractive to retail outlets.

This commission is sometimes a bone of contention. In the U.S. it has grown to the stage of becoming a focal point in consumer legislation. Using its new powers, the Federal Reserve Board is considering allowing retailers either to charge extra to those using credit cards or, and more likely, to allow them to offer discounts to those who pay cash.

At the moment, of course, under-the-counter discounts to cash payers in Britain are widespread. But the card companies will crack down pretty fiercely on any of their contracted retailers they catch doing this, since it obviously undermines the card business. An agreement not to offer discounts is usually part of the card contract and in Britain it would need Governmental action to change the relevant clauses in the contract.

But that is a mere cloud on the credit card horizon. For the moment the companies have much bigger worries. Basically these are because people are proving much more adept at using their cards than many observers and politicians expected when the first few Barclaycards came on to the British scene in 1966. In that year alone 1m. new cards were issued, and it was confidently predicted that they would prove to be the ruination of the spending classes.

Settlement

The bank cards rely on interest for their profits, and thus the more they can encourage the cardholder to spend *and not repay*, the better they like it. As the economy has sagged, so the average consumer, instead of extending his credit, has in fact contracted his commitments. Both Access and Barclaycard see a growing eagerness on the part of cardholders to settle accounts as rapidly as possible. This disastrous (as far as the card companies are concerned) process was given added impetus by the Government action in stepping up the compulsory repayment schedule.

Barclayca d has seen its customers' average repayment slip from six or seven months in 1973 to a present three or four months. This brings the borrowing period to within dangerous p oximity of the nil-interest period. Credit card holders are given 25 days at least between purchase and the need for payment and, because accounts are sent out monthly, it is possible with careful planning of expenditure, to extend that to 56 days. Even this assumes that the retail outlet is prompt in getting the paper wo k off to the card company.

The worst sort of customer for a credit card company is one who makes a series of small purchases—petrol, a shirt, a rail ticket — and then pays the account in full. The company will have had to handle the administrative work for very little commission and yet will get no inte est on its money. Although the total outstanding amount per card holder has risen somewhat over the past year—less than 20 per cent. — the amount on which interest can be charged, that is the total beyond the 25-56 day period, has not. Clearly, therefore, without any rise in interest levels, the c edit card companies were being forced to run their businesses on less cash flow per customer in spite of higher servicing fees (each of the 6m. Access and Barclaycards involves at least one letter a month).

It would be surprising if the Access move did not gross it approaching £1m. more in a full year, which is not a great deal when one considers that the company might have nearly £250m. out on loan at any one time. Access, which is owned by National Westminster, Lloyds, the Midland, Williams and Glyn's and the Royal Bank of Scotland, now has to hold its breath and wait to see what Barclaycard will do.

At the moment there is a contemplative silence around the St. Paul's offices of the Barclays offshoot. There is little doubt that the Access move caught them on the hop, but they apparently see little point in a "me-too" move. There might be some argument for watching client reactions. There is a considerable overlap in Access and Barclaycard membership. If the differential remains, and if customers remain as shrewd as they seem to have been in recent months then customers wishing to accumulate a debt might well be better off doing it on their Barclaycard account rather than via Access. Even if Barclaycard does react, and it admits to being "in a huddle" about the problems, it does not necessarily have to follow the full Access example. It could raise its interest rate to 1.75p a month; for example, or charge a flat annual fee for membership, or reduce the "free" period.

The "travel" cards have very little alternative but to look to subscriptions, to tighten up as far as possible in ensuring prompt payment, and to maximise the use of their mailing lists. Diners has taken the plunge by increasing the subscription for new members, but this will only produce around £50,000 for the company in a full year. Obviously this will increase substantially if it is applied to the total 167,000 U.K. members, as now seems likely before the end of this year. Diners, in which National Westminster Bank has just under half the equity (the rest is owned by Diners Inc., of the U.S.), has been a consistent profit maker, but is obviously set on a course which is worrying the company.

Like the bank card companies Diners and American Express have little real knowledge of what a substantial increase in the basic fee would mean to membership. There is a strong argument that the majority of members would not even notice that the annual fee had risen. It would seem that no one is particularly keen to try a commission fee rise of any great proportions on the retail trade. Although restaurants and hotels, particularly in the centre of the large conurbations, rely heavily on credit cards (in London's West End a typical restaurant might expect 60 per cent. of its accounts to be settled by credit card of some sort) the catering business is financially in too wobbly a state to stomach a big rise in the fees paid.

A tougher attitude towards slow payers is not as easy as it sounds. It is sometimes difficult to draw the line between the person who uses his card very little and pays instantly and the man who makes extensive use of the card and is sluggish in his repayments. In Diners' case the company gives 45 days "free" time for the customer to pay, and then charges 1.5 per cent. a month as a "penalty" for non-payment. However, neither Diners nor American Express wants its customers to go into the "penalty" zone and can become quite cross with members who do it.

It would appear that there is more opportunity in the use of the membership lists for marketing other products, but even this has to be approached with caution. The Amex/Diners card holders are top of the market people who tend to resent a surfeit of mailing shots. Both companies have been criticised for a lack of sophistication in their mailing and recruitment techniques but are being forced into a position of pushing their corporate luck by sheer economic circumstances.

Perhaps the saddest incident on the British credit card scene this year is the impending departure of Eurocard—or at least the British end. With Access having joined the Inter-Bank system, which gives it global validity, the current British incumbent, Eurocard, has been declared redundant. Eurocard will, of course, continue in Europe and the cards will be valid at Access outlets. But no more will Britons be able to hold them and pay in sterling.

History

Eurocard in the U.K. has something of a charming history. It originated from a determination among hoteliers not to allow Amex and Diners to get a grip on the British hotel market. The Savoy group, the Dorchester, the Goring, Grosvenor House, the Park Lane, the Ritz, the Hyde Park, the Westbury, British Transport Hotels, and Trust Houses all put up a "very small" amount of money to start a card system which would not charge the same commission rates as the American giants. Soon it became part of the Eurocard system.

Now, of course, most major hotels take credit cards, as do those one-time citadels of cash and personal accounts, Harrods and Selfridges. The battles over those profiteering card companies have been fought and lost. Perhaps there is some poetic satisfaction to those old campaigners against the cards that now success has come within the grasp of the credit card system, the whole business has turned a little sour.

Letters to the Editor

Petrol prices

From The President,
The Motor Agents Association.

Sir,—We concur with the conclusions in your leader "Competition and the Consumer" (August 20), which comments on the Price Commission's report on petrol retailers margins. Your views are both fair and constructive.

You think that the idea of an official minimum selling price for petrol is not likely to be given much consideration. Bearing in mind the different interests involved, this would raise three questions. By whom would it be fixed? At what level? And how would it be reviewed?

We confirm that we have been discussing petrol distribution with the Office of Fair Trading, since last year. We have stressed throughout, the need for the speediest action in the area of monopoly and we shall continue to press home our points.

The opportunities presented by the OFT in making certain recommendations, following discussions, have already been grasped by this association and the majority of major oil companies. Further action is likely shortly. Our facilities for providing professional advice, particularly to our smaller members, are constantly being strengthened; but, regrettably, injunctions upon us under the Restrictive Trade Practices Act, inhibit our desire to be even more helpful by giving specific advice on petrol pricing.

In the meantime, the consumer should enjoy the selective and often unrealistically low prices for petrol now, before inevitably, this "market adjustment" is concluded, and perhaps higher crude costs are passed on to the consumer in a few months time—passed on, that is, by fewer outlets.

Lionel P. Altman.
201, Great Portland Street, W1.

Jennifer's message

From Dr G. Weinbreun

Sir,—Is this not indicative of the times? The letter was written by my daughter Jennifer, aged 10

"To dad please can we have our pocket money because I want to get it before the price goes up.

Sorry about that.
Love
Jenny W.
X ♥ X hug hug."

Gerald H. Weinbreun.
58 Circus Road,
St. John's Wood, N.W.8.

Yardstick for companies

From Mr. A. Phillips

Sir,—Your leader "Yardstick for Companies" (August 20) illustrates two dangerous attitudes.

The first appears in your comment that "there is much discussion over enlarging the rights of employees, presumably at the expense of shareholders. . . ." This assumes that the interests of employees and shareholders necessarily compete and cannot be mutual. Such a belief is only too common among trade unions, and bedevils industrial relations at a hundred points.

Greater disclosure, which is the recommendation of the Accounting Standards Steering Committee, is no more than better communication which, to qualify as such, is essentially mutual. It is also essential to replacement of ignorance and suspicion in industrial relations by involvement and a positive approach.

Second, you close your editorial with a defeatist assessment of management capacity by saying that there is a danger that "the managers of the business will become so preoccupied with their social and community objectives, that the profitability of the enterprise, on which everything else depends, will be neglected."

The truth would rather seem to be that unless management can develop and achieve new social and community objectives the politicians will take over; with what results the business community well knows but the great British public may not. No one is pretending that management can grapple with these new problems without diverting considerable time and ability to them. That may push up unit costs.

It might just be, however, that managements which work at these new objectives with a will could find that the spin-off in terms of employee attitudes and productivity more than recoups that cost. Some already do.

It is disappointing that such an unexpected, and hence doubly welcome, piece of imaginative and relevant work by the ASSC should receive such a demoralised response from your paper. I hope you change your mind on second thought, and lend your weight to what will be a very important debate in the future of the private sector *in this country.*

Andrew Phillips,
Prospective Liberal
Parliamentary Candidate
for Saffron Walden,
89, Bradford Street,
Bocking, Essex.

An accountant's qualifications

From Mr. A. Franks

Sir,—From the report (August 20) on the publication of "The Corporate Report" by the Accounting Standards Steering Committee, it would appear that the profession is now attempting to serve both God and Mammon. I hope that, in order to avoid the pitfalls found by others who have tried to follow this course and bearing in mind the institute's strict adherence to its members having high qualications for the tasks they perform, a paper on divinity will in future be included in the examinations for aspiring chartered accountants. Alternatively, perhaps a Bishop or two should be invited to join the Steering Committee.

A. K. S. Franks.
Becketts,
Matfield, Tonbridge,
Kent.

Tinkering with cars

From The Managing Director,
Tanner Bros. Motors.

Sir,—Mr. G. Hislop's letter (August 19) makes an interesting point. The plain fact is that in the past there has been an inadequate level of investment in manufacturing at British Leyland. This in my opinion has led to overmanning and many of the other problems identified by both Lord Ryder and Mr. Duffy.

For many years the Motor Agents Association, the Society of Motor Manufacturers and Traders and manufacturers have been fighting to prevent the Government of the day using the motor industry as an instrument of economic regulation. It is Governments' "tinkering" approach so clearly illustrated in Terry Dodsworth's article August 13, which requires explanation. If the public require a scapegoat then it should be the faceless men of Whitehall.

When are we as a nation going to demand professional government which does not regard three-year policy decisions as long term?

James A. Tanner,
895-921, Fulham Road, S.W.6.

BLMC workers output

From Mr. R. Harvey.

Sir, — Mr. Hislop's letter, (August 19) attempts to justify the low labour productivity in BLMC by invoking a ratio which implies that the effect of labour and capital inputs on output is multiplicative. I doubt whether any analysis could sustain this proposition.

The letter (and the original article of August 13) highlights the danger of "capital per worker" as an explanatory parameter. If instead one examines the capital input in relation to output (as has already been done for the labour input), one finds that there is not a great disparity between the different countries. The average values of fixed assets per £1,000 of value added are U.S. £604, Germany £712, U.K. £542.

One is forced to the conclusion that the one element in the equation which is out of line is the manpower input, that is, overmanning is the problem rather than underinvestment. Thus, *if more capital is to be* injected, output must rise pro rata, retaining the same labour force. This would correspond to an increase in labour productivity which would permit the payment of higher wages. This solution, however, hinges on the ability to find the markets to absorb the higher output.

R. A. Harvey.
4, Marlyns Drive,
Burpham,
Guildford, Surrey.

Buy British —or do not

From Mr. J. S. Heath.

Sir,—I observed with interest the report about the Association of Professional, Executive Clerical and Computer Staffs launching a "buy British cars" campaign (August 18).

This really is, as was Peter Shore's recent exhortation, absolute nonsense — as much nonsense as a doctor simply prescribing symptomatic pain killers instead of treating the disease which is in fact causing the pain.

No would-be car owner will go on indefinitely purchasing cars, whoever may make them, which are badly finished, do not meet delivery dates, entail long waits for spare parts for current production cars, and have design defects. I have bought British cars ever since 1946 and have patriotically soldiered on with all their shortcomings and defects in addition to indifferent to fundamentally dishonest servicing and agents, but eventually there comes a time when one simply has to call a halt. There are increasingly plainly visible signs that more and more members of the public have made this decision.

The position is not going to be rectified by a "Buy British" campaign or import restriction on foreign cars. The position will be rectified only when British manufacturers start to produce what the public requires, namely well designed, economical, fault free, durable, value for money motor cars, in exchange for which people will be happy to pay good money.

It seems to me that the remedy lies in the hands of those who have brought about and have permitted the present position to be brought about, and not by exhortations to customers, be they from Peter Shore or Apex, to "Buy British."

The foreign car which I bought in May 1973 is the best car I have ever had, and I will not be buying a British car until such time as I am absolutely satisfied that I will be able to purchase what I want, at the time I want it, and that I will get in exchange for my hard earned money a reliable, trouble free motor car, free from defects in finish, free from design defects, and which is really good value for money.

J. Stanley Heath.
Beaver's Lodge, 10 Albert Road,
Trentham, Stoke-on-Trent,
Staffs.

Protect the shareholder

From Mr. D. A. Hartley.

Sir,—I fully endorse the remarks made by Mr. G. Andrew (August 13) with regard to companies where the share quotation has been suspended indefinitely.

I can understand the frustration and exasperation that many shareholders must feel when as the years go by a stage of inactivity sets in and a total lack of communication exists between the company concerned and its shareholders. It appears to be the attitude of some companies that it is better to say nothing until forced to do so or, the less the shareholders know the better it is

In view of the recent spate of quotations being suspended, I am surprised that the Stock Exchange Council has not come to the aid of shareholders in this position, especially where a company has apparently gone to sleep or does not have any intention of applying for a requotation.

In my case I hold shares in a company which has been suspended since March 1973: it could quite possibly be liquidated without my knowledge.

Donald A. Hartley
10, Brooklyn Avenue,
Layton,
Blackpool, Lancs

Salary levels

From Mr. A. Bythway.

Sir,—Mr. E. G. Wood (August 16) as usual makes some thought-provoking points, even though the first that comes to mind is that he does not seem to have read my letter (August 9) as carefully as he might. I would certainly not wish to deny to anyone knowledge of salary levels in large companies, and indeed I am quite certain that with all this talk of "parity" personnel managers will redouble their efforts to ensure that as far as possible they do all pay the same for what superficially appears to be the same job and thus in effect establish a "rate for the job."

I do not believe, however, that the type of employee who prefers to work for a small establishment—or enterprise, if this is really something different—is nearly so interested in "parity" because in fact he has sufficient self-confidence to believe that, given more room to manoeuvre than he can expect in any highly structured environment, he will be able to do better for himself than the next man.

Whether, in general, small firms pay better or worse than large ones is, I would suspect, likely to be quite difficult to establish because, leaving aside any non-monetary attractions they may have, the duties of, say, a sales manager in one small firm are likely to be significantly different from those of his counterpart in another small firm and both different from the corresponding position in a large one. Mr. Wood is almost certainly correct in concluding that works managers, or accountants in small firms earn less than people with the same titles in large firms because the chances are that their responsibilities will not be so great. This is precisely why many people may be able to attain these positions in small firms—and in doing so, serve their employers extremely well—who, for one reason or another, could not hope to do so in a large firm. This is what I mean by the small-firm employee standing a good chance of being paid what he is worth, whereas in the large firm he would probably have to be content with some less rewarding position.

I should have thought I made it clear by quoting my basic pay-philosophy that I have never tried to sell the advantages of the small firm by way of its non-monetary attractions, but it would be equally wrong to argue that they do not exist. The most important of these I have always felt to be the fact that, with enterprising but sympathetic management, most positions can be slightly modified to make the most of the particular talents of the available personnel and to minimise the consequences of their shortcomings.

It is unfortunately more than likely that owners of many small firms endeavour to minimise overheads by paying low salaries and I can only appeal to them to realise that the total cost of employing anyone is probably at least twice their salary and therefore the maximum economy can only be achieved by aiming to employ as few people as possible, which means they must be above average and therefore paid above average.

A. S. Bythway.
71, Highsett,
Hills Road,
Cambridge.

The Guinness connection

From Mr. W. A. Guinness
(The Senior Guinness)

Sir,—The threat of U.K. tax laws has made my cousin the Earl of Iveagh's position intolerable, so much so he will not be able to visit England for some years. No doubt our foreign friends will take due notice of this and those with sterling balances will draw their own conclusions. Perhaps the Labour Government will condescend to notice this and will have the sense to see that the way to accumulate wealth is to encourage it to stay in the United Kingdom and not to drive it away.

The flight from the pound has become very serious and is one of the causes of inflation and, thus, dear food. It is too much to expect that the Labour Government will remedy the situation and invite the Earl to visit England without these tax disabilites. The Earl will be missed by the shareholders who attend the annual meeting at Park Royal Brewery, where he mixes freely and is generally very popular.

The Guinness family has had close associations with England since 1759 when the Dublin Brewery was founded by great, great, great, great grandfather, Arthur Guinness, who, incidentally, was born in 1725.

William Andrews Guinness,
Colwood Park, Bolney,
Haywards Heath, Sussex.

To-day's Events

GENERAL
Dr. Henry Kissinger, U.S. Secretary of State, continues Middle East negotiations for interim peace agreement between Egypt and Israel in Sinai peninsula.
Figures of new vehicle registrations for July issued.
Mr Ivar Noergaard, Denmark's EEC Minister, begins visit to Soviet Union
Courtaulds management representatives meet Amalgamated Union of Engineering Workers in York in effort to resolve pay dispute at company's Spennymoor, Co Durham, factory.

COMPANY RESULTS
Town and City Properties (full year).
Development Securities (half-year).

COMPANY MEETINGS
Emu Wine, Basil Street Hotel, S.W., 4.15.
Leigh Mills, Pudsey, Yorkshire, 4.45
Saint Piran, Winchester House, E.C., 12.
Smith Holdings, Whitworth, Rochdale, 11.
Smith (Stephen), Basil Street Hotel, S.W. 4.

BALLET
London Festival Ballet, with Marina Gielgud and Peter Breuer, in Swan Lake, Royal Festival Hall, London, 7.30 p.m.

OPERA
English National Opera production of Carmen, Coliseum Theatre, London, 7 p.m.

MUSIC
Henry Wood Promenade Concerts: London Philharmonic Orchestra (conductor Bernard Haitink) with Margaret Kingsley (soprano) perform Goehr's Metamorphosis Dance, Beethoven's Scena and Aria: Ah! perfido, and Mahler's symphony No. 1 in D major, Royal Albert Hall, London, 7.30 p.m.

COMPANY NEWS + COMMENT

Overseas subsidiaries bolster Rentokil

REFLECTING A 40 per cent. increase in profits of the overseas subsidiaries first half 1975 pre-tax profit of Rentokil Group increased from £2.89m. to £2.95m. And the directors expect the year's profit to exceed the £5.55m. for 1974.

The directors expect U.K. profits for the rest of the year to be at least equal to the £1.76m. of the first half, while prospects for the second half overseas are good.

As before, the interim dividend is 0.77p net per 10p share. Last year's total was 1.65p.

	6 months 1975 £000	6 months 1974 £000	Year 1974 £000
U.K.—home sales	9,927	9,519	18,837
U.K. sales abroad	435	645	1,436
Overseas sales	8,697	5,864	13,127
Total sales	19,059	16,028	33,500
U.K. profit	1,763	2,042	3,994
Overseas	1,189	849	1,353
Total profit	2,952	2,891	5,347
Taxation	1,440	1,439	2,643
Net profit	1,512	1,452	2,904
Dividend	485	485	1,040
Retained	1,027	967	1,864

Profits exclude extraordinary credits of £512,000 (debits £234,000) in respect of exchange surpluses on fixed and intangible assets overseas and an increase in the market value of quoted investments. The figures for the year 1974 exclude extraordinary charges of £735,000.

Most U.K. operating divisions performed extremely well in the face of adverse trading conditions but there were two significant exceptions.

The damp-proofing division continued to suffer from the reduced availability of home improvement grants that has affected its turnover and profits since July, 1974.

Rockwool mineral wool, the insulation division, was severely hampered by Government restrictions on cavity wall insulation appropriate to less reliable products. It is expected that these restrictions will soon be relaxed in respect of Rockwool, says the chairman Mr. P. L. Burgin.

Prospects for the second half-year in the U.K. will be affected by increased costs.

● comment

Rentokil's advance of 2 per cent. rests heavily on the overseas division where profits moved ahead by 40 per cent., but this is flattered by exchange rate movements accounting for 20 to 25 points of that advance. Other distortions to the profits split include the first-time contribution from the U.S. acquisitions to the overseas figures, while U.K. profits are depressed by about £50,000 of interest on the loan raised for those acquisitions. Even so, the home division has gone lame as damp course sales suffer from restricted local authority improvement grants, and cavity insulation is hit by a clamp down of controls. Pest control is still moving ahead, and there are hopes that the Government will relax the position on cavity wall insulation in time to save the busy autumn period, so an improvement over the first half in the U.K., is expected while the overseas contribution hinges to a fair degree on exchange rate movements. At 57p, on a prospective p/e of around 13½ per cent. (doubling interim profits) the market capitalisation of £36m. already has its eye on the long-term growth prospects for Rentokil.

UGI chief warns of redundancies

Mr. Hugh Nicholson, chairman of United Gas Industries, which makes meters and heaters said yesterday that the Government's £6-a-week pay maximum was inflationary in itself.

He told shareholders at the annual meeting: "In your own company, £6 a week for the 4,000 people employed comes to almost £1,300,000 a year." This "is in excess of the profit made even before interest."

He warned that to avoid a loss, the company would have either to raise its prices, "in itself inflationary," or reduce the number of employees.

"The last thing we want to do is to reduce the number of employees, but this is to some extent unavoidable."

INDEX TO COMPANY HIGHLIGHTS

No major upturn for Plessey

Plessey expects no major upturn in its current financial year to March 31, 1976, Sir John Clark, the chairman said after the annual meeting. However it was too early to give a definite forecast of the year's results.

The company's order book is holding up throughout its product range and "things are on plan" he said. There are some indications of a recovery in the U.S., in line with the general economy, *and the order book of Garrard* Engineering is somewhat stronger, he said.

Woodhouse & Rixon expansion

TURNOVER OF forgemasters, etc., Woodhouse and Rixson expanded from £3m. to £4.18m. in the half year to June 28, 1975, and pre-tax profit advanced from £0.33m. to £0.57m. The figure for the year to December 31, 1974, was £0.79m.

Mr. G. S. Baker, chairman, says "*all subsidiaries contributed to* first half result, with the forging companies being particularly profitable.

"Although there has been a reduction in order intake for some of our products, demand for most products has remained at a satisfactory level, and together with *good order books should ensure* a continued high level of activity."

A one-for-one rights issue at par per 12.5p share to raise £563,000 is announced, payable in full on acceptance not later than September 12.

In pursuance of the policy of internal growth and carefully *selected compatible acquisitions* to strengthen the company's position, it is planned to modernise the plant and expand existing facilities. The company is also in the early stages of negotiations for the acquisition of a business in one of the EEC countries. Other acquisitions are *being actively considered.*

If any of the negotiations are *successful the proceeds of the* issue will be utilised.

Following the issue the capital will exceed £1m., giving trustee status.

	Half-year 1975 £	Half-year 1974 £
Turnover	4,178,398	2,988,734
Trading profit	641,030	414,982
Depreciation	60,554	54,492
Interest charges	10,476	27,400
Profit before tax	570,000	333,900
Taxation	296,400	173,160
Net profit	273,600	159,240
Dividends	43,200	40,482

An interim dividend of 0.9436p (0.8842p) net is declared. A *maximum permitted final on the* increased capital is forecast — last year's total was 1.77p. Stated earnings for the half-year were 3.98p (3.5p).

The issue has been underwritten by Singer and Friedlander. Brokers to the issue are Hoare and Co. Govett.

Holders of incentive shares are entitled to subscribe for the new shares but at the full price.

● comment

Woodhouse and Rixson has made its rights issue at a hefty discount—57½ per cent. against a recent average with new issues *of about 30 per cent.—to improve* the income position of its shareholders. At 30p, up ½p last night, the shares would have yielded a prospective 10 per cent. but at the ex rights price of 21¼p the prospective yield, assuming a maintained interim in 1976, is 13.7 per cent. The gross cost of raising the *money is expensive, about 33 per* cent., and although bank borrowings have increased by 120 per cent. to £297,000 since the year-end this compares with shareholders' funds at the time of £1.70m. so liquidity is no problem. *This increase has mainly been due* to investment of £270,000 at the Eated flange subsidiary, whose integration with forging output has been a significant contributor to a 71 per cent. rise in interim pre-tax profits. The return on capital has averaged 25¼ per cent. over the last five years, including *44 per cent. in 1974, and the out*look for the year is at least £1m. pre-tax for prospective earnings of 8.3p on the enlarged capital. This apart from the income argument, should underpin the current share price.

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Atlantic Assets cuts dividend

REVENUE, before tax, of Atlantic *Assets Trust amounted to £345,000* for the year to June 30, 1975, compared with £366,000 for the previous year, and the dividend is halved to 0.4p net per 25p share.

The directors point out that earnings for the year are not comparable with the previous year owing to the loss of dividend from Edward Bates and Sons (Holdings) and the acquisition of Bates Oil Corporation. In the circumstances they consider it prudent *that the dividend should reflect* the earnings position for the year.

	1974-75 £000	1973-74 £000
Franked income	206	592
Unfranked	889	205
Total income*	1,095	797
Interest and expenses	730	471
Pre-tax revenue	345	366
Taxation†	160	107
Pref. dividend	70	70
Ord. dividend	106	211
Total assets	29,916	28,169
Net assets Ord.	17,013	22,417
Equivalent per share‡	64.4p	84.8p

*Include income from Bates Oil, accrued to June 30, 1975, and a dividend from Independent Investment Company.

†Overseas tax £30,000 (£17,000). Tax on franked income £70,000 (£149,000). In 1974 relief against the net surplus on realisations amounted to £59,000.

‡Applicable amount of full investment currency premium has been included. Twenty-five per cent. of this amount is liable to surrender on realisation and would reduce amount available per Ordinary share by 4½p.

Independent Investment Company has been included in the valuation at net asset value and Bates Oil Corporation has been included at cost.

Woodford Investments and Glenisla Investments have been included in the valuation at net asset value. Save and Prosper Group has been valued by the directors at £10 per share and Haw Par Brothers International has been included in the valuation at $M1.80 per share (representing 15.9p per Atlantic share) which was the price ruling on the Kuala Lumpur Stock Exchange on June 30. Haw Par has since that date been suspended pending investigations by the Singapore authorities.

Pentos well placed for growth

FIRST HALF 1975 turnover of Pentos expanded from £7.08m. to *£9.56m.*, and pre-tax profit advanced from £0.9m. to £1.01m. The figure for the year 1974 was £1.88m.

The chairman, Mr. T. A. Maher, says *the company is "well placed* to take advantage of opportunities *and to weather successfully any* future storms."

Earnings per 10p share for the six months increased from 3.6p to 3.93p, and the interim dividend is raised from 1.005p to 1.3p net in order to reduce disparity—a maxi*mum permitted total of 3.1001p is* forecast (2.905p).

	Half-year 1975 £000	Half-year 1974 £000	Year 1974 £000
Group turnover	9,344	7,084	14,696
Industrial profit	990	824	1,368
Financial profit	98	248	788
Associates	198	109	325
Total profit	1,288	1,180	2,481
Interest payable*	280	284	601
Profit before tax	1,005	896	1,880
Taxation	511	415	970
Net profit	494	481	910
Attributable Ord.	478	431	909
Dividend	156	120	289
Holders' funds	5,238	4,184	4,498
Assets per Ordinary	42.15p	34.29p	36.16p

* Including notional.

The figures include earnings of *Wright Bindley and Gell after de*ducting a notional interest charge.

Net borrowings—long and short term—were reduced to £2.81m., compared with £3.79m. at the beginning of the year. Cash flow projections for the remainder of the year show a further significant reduction in borrowings, the *directors state.*

During the half year the company was particularly successful with sales, through new retail outlets, of aluminium greenhouses.

The recession in the construction industry has deepened and *the system buildings operations* have been running at lower out*put levels, although the cost reduc*tions resulting from the recent reorganisation have minimised the impact on profits, says Mr. Maher.

● comment

Pentos first-half pre-tax gain is reduced to 3 per cent. if the first full net contribution from Wright Bindley is excluded. On the trading front, there is a mixed bag of results with an excellent half from the garden equipment activities *offsetting poor figures from system* building, including leasing and *hiring*, and a standstill position in tableware. The slump in financial profits reflects the drive to reduce borrowings—funds absorbed by the HP side are reduced from £1½m. to *£400,000*—and the transfer of investment *income to associates*. Borrowings should again be lower in the second half, although there must be little left to squeeze out of the financial set-up. But the worrying point is that Pentos has yet to show much real organic growth, and this must explain the 12 per cent. yield at 41p.

Scottish & Newcastle sales ahead

Mr. P. E. G. Balfour, the chairman of Scottish and Newcastle Breweries told the annual meeting that "sales of beer and lager in the year to date, assisted by the current spell of fine weather, were up by more than 5 per cent. in volume from the equivalent *period last year.*"

Sales in managed houses and hotels were at a *satisfactory* level and sales of wines and spirits showed some recovery from the Chancellor's budget.

Scottish Eastern

Gross revenue of Scottish Eastern Investment Trust for the half year to July 31, 1975 dropped from £1.72m. to £1.65m. For the full year 1974/5 the figure was *£3.49m.*

Stated earnings per 25p share for the first half are 1.51p (1.59p) and the interim dividend is being held at 0.875p net. Last year's total was 2.9p.

Net asset value with prior *charges at par is 115p (91p)* and with prior charges at market value 123p (99p) in the first six months.

G. M. Firth confident of long-term

Confidence in future growth at *G. M. Firth (Metals)* is both positive and strong and the company *has the structure to benefit fully* from any turn-around in the *market, states the chairman*, Mr. G. M. Leadbeater, in his annual statement.

The world-wide recession in all steel consuming industries continues, in spite of heavy destocking, and there appears to be "no significant recovery prospect this side of December 1975." Furthermore, weak selling prices offered by competitors less financially strong have undoubtedly restrained margins.

He confirms that even with tightly controlled expenses the *first half of the current year will* show a smaller profit.

Mr. Leadbeater says that despite the economic and political uncertainties, the directors refused to be deflected from longer term aims, in the belief that those companies which are able to continue to invest prudently when conditions are difficult will show above average growth in the future. The current capital expenditure programme has now been completed at a total cost during the past two years in excess of £1.5m. which has been financed entirely from the company's own resources.

As reported on August 7, profit *before tax dropped from £0.9m* to £0.8m. in the year to March 31, 1975. Dividends are being held at 5p net.

Bank overdrafts at March 31, 1975, amounted to £1.22m. (£0.4m.). Net current assets were £0.68m. (£0.26m.).

A statement of source and application of funds shows an increase in working capital of £24,263 (£11,648).

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Atlantic Assets	0.4	—	0.8	0.4	0.8
Ayer Hitam Tin ...2nd int.	8	Oct. 17	8.05	13	9.8
Bensons Systems ...int.	1.28	Oct. 1	1.2	—	3.95
Ellis & Co. (Richmond)	1.03	—	1.03	1.03	1.03
Fife Forge ...int.	1.6	Oct. 1	1.5	—	4.26
Heywood Williams	Nil	—	1.75	nil	1.75
Johnson Group Cleaners int.	1.03	Oct. 1	0.97	—	2.18
Pentos ...int.	1.3(a)	Oct. 1	1.01	—	2.91
Rawlings Bros. ...int.	Nil	—	0.75	—	1.63
Rentokil ...int.	0.77	Nov. 19	0.77	—	1.65
Scottish Eastern Trust int.	0.88	Oct. 6	0.88	—	2.9
Thames Plywood	1.6	Oct. 2	1.31	2.3	3.4(b)
Tronoh Mines ...int.	1.64	Oct. 21	1.37	—	4.02
United Dominions Trust	Nil	—	1.6	nil	2.82
Woodhouse & Rixson...int.	0.94	Oct. 1	0.88	—	1.77
A. J. Worthington	0.34	Oct. 16	0.33	0.58	0.55

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity. (b) For 82 weeks.

Johnson Cleaners advance

FROM turnover up 30 per cent. to £7.34m., profit before tax of Johnson Group Cleaners advanced by 10 per cent. from £0.63m. to *£0.69m. during the first 26 weeks* of 1975. Full year 1974 profit amounted to £1.11m.

The directors attribute the disproportionate increase between turnover and profit in the half year to higher interest charges which more than doubled to £86,757 and the situation in which *labour and other costs continue to* escalate while being subject to price control. Every effort is being made to overcome this problem, they say.

Stated earnings before extraordinary items are up from 2.23p to 2.49p per 25p share and the interim dividend is raised from 0.9873p to 1.0322p net. Last year's dividend total was 2.1764p.

	Half-year 1975 £	Half-year 1974 £
Turnover, net of VAT	7,341,009	5,641,000
Trading profit	734,701	651,030
Trading activities	540,823	487,921
Non-trading props.	193,858	163,119
Sundry income	9,033	15,686
Interest payable	86,757	32,431
Profit before tax	657,036	634,497
Taxation‡	362,150	329,930
Profit after tax	334,886	304,567
Extraordinary credits	87,413	23,371
Dividends	147,307	139,184
Retained	274,992	188,764

‡ Includes relevant provision for deferred taxation.

● comment

An increase in sales volume—turnover rose by roughly one-fifth *last year—has enabled Johnson* Group to come back from last year's pre-tax downturn with a 10 per cent. rise in 1975 interim profits. However, it must be doubtful whether this resurgence will continue. Margins on the dry-cleaning *side are still under heavy pres*sure and, with demand linked *very closely to consumer spend*ing, the prospects of further volume growth look precariously balanced at the moment. Short-term borrowings, although higher, have apparently been held at a reasonable level and current year orders are about 20 per cent. up the corresponding period so far. *Even so, 1975 now seems unlikely* to show much, if any, improvement in the pre-tax return and the shares, which at 31p are yielding 11.9 per cent., probably reflect this.

Fife Forge well up at half-time

Turnover of Fife Forge expanded from *£640,745* to £969,226 in the six months ended June 30, 1975, and profits increased from £71,412 to £109,270.

The interim dividend is 1.6p net (1.5p). For 1974 a total of 4.26p was paid from profits of £151,729.

	First half 1975 £	First half 1974 £
Turnover	969,226	640,745
Profit before tax	109,270	71,412
Taxation	55,086	37,654
Net profit	54,184	33,758
Interim dividend	12,550	11,760
Retained	41,634	21,998

Tax provision calculated at the full corporation rate but, due to substantial capital expenditure, the actual tax payable will be considerably less.

Reed Shaw Osler improvement

Pre-tax profit of Reed Shaw Osler, of which Stenhouse Holdings holds 54.47 per cent., expanded from £5.87m. to £6.74m. in *the nine months to June 30, 1975,* on revenue up from £24.33m. to £30.64m.

Earnings per *share* advanced from 19p to 20.2p and profit after tax and *minorities rose from* £2.84m. to £3.3m.

W. & E. Turner

Multiple retailers of footwear, hosiery, handbags, etc., W. and E. *Turner*, reports first half turnover up from £2.39m. to £3.25m., and an expansion in pre-tax profit from £40,374 to £130,958. The figure for the year 1974 was £375,897.

The interim dividend is raised from 0.4p to 0.425p net. Last year's total was 1.329p.

	Half-year 1975 £	Half-year 1974 £
Turnover	3,247,823	2,387,841
Depreciation	81,818	88,817
Pre-tax profit	130,958	40,376
Taxation	90,000	40,000
Tax equalisation credit	—	16,500
Extraordinary items	6,619	25,513
Balance	47,396	42,387

Goode Durrant downturn

ITEMS IN excess of £600,000 affected the interim profit of Goode Durrant and Murray Group, international finance group. Reporting *£303,000* pre-tax for the six months to April 30, 1975, compared *with £1,012,000* last year, the directors look for*ward to a second half* improvement and report record liquidity and buoyant overseas earnings. Profit for the year to October 31, 1974, was £1.36m.

Provisions of some £450,000, against both hire purchase and property loans, and a loss of £166,000 from the publicly quoted Rawlings Bros. building and property development subsidiary — the company *expects at least to* break even at the full year *(£125,000 for 1973-74)* — were the major special factors during the first half.

"We continue to put the main*tenance* of high liquidity before all else," the directors state. "This policy has stood us in good stead and will continue to do so. We are now more liquid than ever before."

Overseas earnings remain buoyant.

	Six months 1975 £000	Six months 1974 £000
Turnover	31,712	28,606
Profit before tax	303	1,012
Taxation	108	476
Outside holders	26	34
Extraordinary debits	23	12
Balance	144	[illegible]
Preference dividend	8	8
Attributable Ordinary	135	481

A fall in Rawlings' margins during the first half reduced *trading profit* from £803,000 to £424,000. But because of the current rate of reservations and sales, the chairman, Mr. A. Haydock, anticipates that the second half will be sufficiently profitable to absorb the loss.

There is no interim dividend, against 0.75p. Mr. Haydock says *the final (0.975p last year)* will be considered in the light of the year's results.

The directors are satisfied that the value of the land bank is in excess of its book value. The policy of absorbing the major part of the interest charge incurred in financing the land bank resulted *in the first half loss.*

● comment

Excluding Rawlings and additional HP and property loan provisions, GDM's pre-tax profits are £27,000 ahead. This is due to the buoyancy of overseas earnings, which accounted for four-fifths of profits last year, prin*cipally retailing operations in* New Zealand and financing activities in South Africa. Provisions of £450,000 may be adequate in comparison with a mainly residential property loan book of £12.8m. in October (entirely separate from Rawlings) but U.K. financing profitability has in any case been reduced, despite a current widening of margins, by *a greater emphasis on realisa*tions and cash flow. Trading margins at Rawlings, meanwhile, have been cut by nearly 60 per cent. and pre-tax losses owe much to the group's highly-geared position in October—borrowings of £8.95m. against net worth of £2.7m.—although this has since *improved, together with notional* land values, with the recovery in sales. Dividend prospects here, at 17p, are clearly speculative, but an historic yield of 7.2 per cent. for GDM also at 17p (some two-fifths off the peak) seems safe enough.

ISSUE NEWS AND COMMENT

£9.69m. package from Norcros

Norcros announces that arrangements have been made with Hill Samuel and Co. for the underwriting of a rights issue of 11,681,315 Ordinary 25p shares at 41p per share, on the basis of 3 new shares for every 11 shares held, to raise about £4.79m.

Also arrangements have been made for a placing of £5m. 13¾ per cent. Debenture Stock 1990/1995 at £98 per cent., payable as to £25 per cent. on acceptance on September 10, 1975, and the balance on January 15, 1976.

The Board expects to recommend total dividends for the year ending March 31, 1976 of 3.6p per share on the increased capital (compared with the 3.0p) equivalent to a gross *dividend of* 4.54p per share (4.57p).

Proceeds of the rights issue and of the Debenture placing *amount to about £9.69m. and will* be used to finance expansion. *Plans are in hand to* expand the operations of existing Group business *in the EEC* and other overseas markets.

Dealings start in the new shares on September 9 and in the Debenture Stock on September 13. The EGM has been called for September 8—the authorised capital is to be *increased from* £16m. to £20m.

Brokers are Rowe and Pitman, Hurst-Brown and Laurence Prust.

● comment

The Norcros fund-raising package had a cool stock market reception yesterday, and the shares, which have been relatively weak recently, *fell by 5p to 31p.* The debenture is the third this year—*the others* coming from Arthur Bell and Clayton Dewandre—and, similarly, the coupon reflects a fairly pessimistic view on inflation. The gross redemption yield of 16.08 per cent. is an ample £2 over the comparable gilt, but then investors *who are committed now* to taking the stock will have to *wait over a fortnight before deal*ings start, until after the meeting to approve the increase in capital associated with the rights issue. The equity element is more conventional and is specifically earmarked for expansion overseas. The group can point to a return on capital employed of over a quarter last year and a solid profits record. Results so far in *1975-76 are* up to the previous level with a recovery by the *kitchen side offsetting* a setback in printing and packaging.

LIVERPOOL: 22% LEFT

The list of applications for the issue of £30m. City of Liverpool 13¾ *per cent. Stock* 1981 closed at 10.45 a.m. with about 22 per cent. *of the issue being taken up* by the underwriters. All applications were *allotted in full.*

Dealings start today.

Thames Plywood tops forecast

Against a *forecast of 2.15p—the* annual rate paid for the previous 82 *weeks—Thames Plywood Manu*facturers is raising its net divi*dend to 2.3p for the year to April* 27, 1975, with a final of 1.6p. Stated earnings per 25p share were 5.98p (12.79p for 82 weeks).

A better than indicated pre-tax profit of £151,707, compares with £313,006 for the previous period. At midway it was £49,000 (£30,000).

	Year 1974-75 £	82 weeks 1973-74 £
Turnover	2,778,313	3,846,873
Pre-tax profit	151,707	313,006
Taxation	79,916	159,479
Net profit	71,791	153,527
Extraordinary debit	4,320	12,050

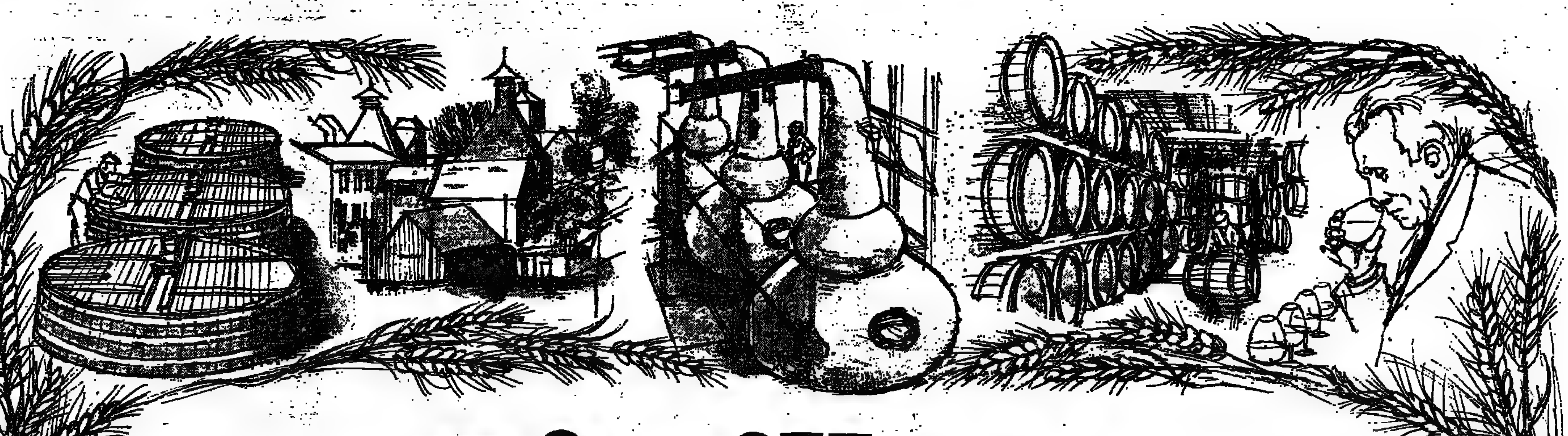
The ultimate holding company is C. P. Choularton Sons and Partners.

First quarter fall at Witan

Earnings before tax of Witan *Investment Company fell from* £609,673 to £546,105 for the three months to July 31, 1975.

Tax takes £205,715 against £228,082 leaving the net balance down from £381,591 to £340,393.

Earnings per 25p share are given at *0.51p (0.63p)* and net assets per share are 80p (66.4p).



Distillers

Extracts from the statement by the Chairman, Sir Alex McDonald, circulated with the Report and Accounts for the year ended 31st March, 1975

SUMMARY OF RESULTS
for year ended 31st March

	1975 £'000	1974 £'000
Turnover	617,111	542,127
Group profit before tax	73,776	86,971
Profit after tax and minority interests	34,616	42,533
Extraordinary items	3,662	16,988
Surplus after extraordinary items	30,954	25,545
Dividends	19,542	18,421
Earnings per share	9.53p	11.71p
Dividends per share	5.38p	5,07p

GENERAL OBSERVATIONS ON RESULTS

The trading profit for the year ended 31st March 1975 amounted to £79.8 million, a reduction of £9.3 million compared with the results of the previous year. Purchases by our customers in anticipation of the increase in export prices made in January 1974 transferred into the previous year a substantial volume of exports of both Scotch Whisky and Gin which would otherwise have taken place in the year under review. In other areas the year was a disappointing one. Profitability in the home market was restricted by rising costs, price control and the delays inherent in the procedures for obtaining price increases. The results of some of our other United Kingdom operations were adversely affected by difficult trading conditions, particularly in the cases of the Carbon Dioxide Company and the Peerless Refining Company. Elsewhere we had similar problems, especially in Australia, where our subsidiary Companies had to contend with swingeing increases in duty and a high rate of cost inflation.

As will be seen from the Group profit and loss account, an increase of £4 million in interest charges contributed to the reduction in profits, so that after deducting taxation and minority shareholders' interests and adding our share of the results of United Glass the profit before Extraordinary items was £34.6 million or 9.5p. per share compared with £42.5 million and 11.7p. last year. A special supplementary contribution to the Group pension fund of £2.5 million is the main Extraordinary item. This is the additional sum after tax which we were advised by the consulting actuary was required at 31st March 1975 to fund the liabilities of the United Kingdom scheme. The shortfall arose from the effect of inflation upon pay levels since the fund was last valued three years ago. Unless inflation can quickly be brought *under control it is very doubtful whether schemes* providing pensions related to final salary will be able to continue in their present form.

The surplus attributable to the Company was £31.0 million. Your directors now recommend a final dividend of 3.3685p. per share. An interim of 2.0125p. per share has already been paid, making the total distribution for the year 5.381p. per share. Together with the associated tax credit the total distribution is equivalent to 8.18604p. per share compared with 7.44187p. per share last year.

The Group balance sheet shows that the value of stocks has increased by £69.4 million. A proportion of this figure is attributable to increased volume but the major part is a result of the high prices of raw materials and other greater manufacturing costs. As a result of the reduction in our distilling programme announced in December 1974 the increase in the value of stocks during the current year, although still substantial, will be somewhat lower. On the other hand, debtors at the year's end showed a relatively small increase but must be expected to rise sharply this year as a result of the massive additional burden of duty imposed by the Chancellor in his April Budget.

To fund part of the increased working capital required, available resources were augmented by a £25 million consortium bank loan repayable in 1979.

When changes in the purchasing power of the pound are taken into account, the Group profit before Extraordinary items was £32.9 million compared with £42.3 million for the previous year, equivalent to 9.1p. per share compared with 11.6p. Due to the very high level of inflation the net addition to equity interest during the year of £9.7 million wholly relates to the benefit derived from obtaining part of our financial requirements by way of long-term loans. The reduction in purchasing power of these loans by itself represented a gain of £19.1 million.

SCOTCH WHISKY

In the earlier part of the year the prices of cereals reached unprecedented levels and, although there has been some falling off in recent months, the increases in costs which have occurred over the years since our stocks of mature Scotch Whisky were laid down present us with a serious problem in making financial provision for their replacement. This particular consideration, coupled with limitations at that time upon the availability of additional long-term finance, was the major reason for our decision to reduce the production of new Whisky as from 1st January last to a level which was within our resources. Fortunately, in producing our existing stocks of maturing whiskies we had in the past made allowance for a number of contingencies which, in our present judgment, are unlikely to emerge and thus no restriction need currently be apprehended as regards the availability of our major brands.

For most of the year our blending and bottling plants faced a multiplicity of problems arising from bottle and material shortages, from disruption of distribution services during the transport drivers' strike and from a number of internal strikes. Cumulatively, these combined to create circumstances in which our blending and bottling companies were, on a number of occasions, unable to meet all the needs of their customers but on the whole supplies to the consumer were maintained reasonably well.

Owing to the limitations imposed by finance, some of our capital investment programme has had to be deferred. We have, however, continued the plan to expand the distillation capacity at Port Dundas. For some time the availability of barley malt from our own maltings has been insufficient for our forecast requirements. Arrangements are now proceeding for the enlargement of our existing maltings at Hillside and Ord.

The extension to our blending and bottling plant at Leven, Fife, is making excellent progress and the additional production lines should be in operation this year. To meet the longer-term projections of sales a completely new blending and bottling establishment is now under construction at Shieldhall, Glasgow, and is scheduled for completion in 1978. This plant will be operated by John Walker & Sons Ltd. and will be supplementary to their existing facilities at Kilmarnock.

In the home market the year opened with a duty increase which, although the first for some five years, was nevertheless unwelcome. It widened the gap between the taxes imposed by the United Kingdom and those in the rest of the EEC, which the member countries are committed eventually to close by the process of harmonisation. Despite the higher duty, the industry's sales at home increased to a new record. The market remained intensely competitive but the percentage increase in sales of Group brands was ahead of that achieved by the industry as a whole. In this performance all our major companies participated, with Dewar and Walker achieving above-average results.

We continued to experience substantial advances in the cost of wages, salaries, bottles and other materials and these led to successful notifications to the Price Commission of increases in home trade prices starting on 1st January 1975 and following on with others at three-monthly intervals up to the present time.

As has been the practice for many years, strong representations were made to the Chancellor on the very high rate of duty levied on spirits compared with other beverages and the heavy financial burden imposed upon members of the industry by the need to fund this duty during the traditional period of trade credit. At certain times of the year this has required in the past the *commitment of financial resources by the industry to the* extent of about £75 million. Despite these approaches, the Budget in April of this year further increased the rate of duty by nearly 30%. No assistance has been forthcoming on the problem of funding even the additional duty which in itself will at times require the availability of another £25 million. The industry's burdens at home are thus considerably heavier. The Government now reaps £2.58 in excise duty on every bottle sold in this country and, with Value Added Tax being payable on the duty-paid price, the VAT element has gone up correspondingly.

As mentioned earlier, export prices of the Group's *standard brands were increased in January 1974.* Our experience on previous occasions has been that following upon such an increase our market share is initially much impaired and this occasion was no exception. Over-all, we did not participate in the expansion in exports during the last financial year, although, of course, there were some exceptions to that generality.

In the United States the year opened with the threat of a longshoremen's strike on the East Coast which would have closed the ports from the beginning of October. The bulk of our Christmas trade there was thus at stake and very large orders, particularly for Dewar's White Label and Johnnie Walker Red Label and Black Label, were received for early shipment. The first six months of the year, therefore, were extremely busy and the effect of the reduction in business confidence in the U.S., coupled with increased unemployment and short-time working there, was perhaps obscured. Thus, when the threatened strike was called off, the immediate reduction in demand was not ascribed to the principal causes as seen in retrospect. After the completion of the Christmas trade, however, it was clearly necessary for us to revise our sales budgets for this market.

Despite this, Dewar's White Label and the Johnnie Walker brands continued to occupy leading positions in the U.S. market and one has every confidence that they will share in the improvement in sales which should follow an upturn in that economy.

The German market, after three disappointing years, showed considerable improvement.

In Japan the year has been one of consolidation *following shipment of large supplies last year.* Competition is growing but I am glad to report that White Horse, Haig and Old Parr continued to make good progress, while Johnnie Walker remained by far the leading brand there. In Australia, New Zealand and throughout the Pacific Johnnie Walker also maintained a dominant position.

Some success has been achieved in Canada, particularly in British Columbia. In South America the Venezuelan market remained strong and our brands, headed by Buchanan's de-luxe and Black & White and followed by Johnnie Walker, Haig Dimple and Old Parr, continued to develop their business most successfully.

In Africa the demand from developing countries improved but competition was intense. In South Africa, White Horse retained the leading position.

In Italy VAT on Scotch Whisky was recently raised to 30%, a most discriminatory measure, for in respect of spirits produced from grapes the rate remained at 12%. We are doing everything possible through official channels to have this blatant breach of the EEC rules eliminated.

During the year an exceptionally large number of foreign Governments introduced heavy tax or duty increases. The main markets involved were Australia, Canada and Mexico with increases equivalent to 55p., 24p. and 70p. per bottle respectively. One cannot but reflect that the Governments of these and other countries are influenced in this regard by the policy of H.M. Government who are, regrettably, leaders in the field of heavy taxation of our products.

GIN

Although affected to some extent by shortages of bottles and other materials in the period before Christmas, sales of our brands of Gin in the home market showed an appreciable increase. With diminishing profits and continually rising costs it became necessary to notify price increases starting with one on 1st January and thereafter at three-monthly intervals. The heavy duty increase imposed in the Budget this April also led to a considerable rise in the retail selling price of our brands of Gin, the long-term effect of which in terms of sales cannot yet be measured.

Shipments to export markets exceeded the figures of the previous year and I am pleased to report that sales of Tanqueray Gin in both the USA and Canada, in spite of prevailing economic conditions, continued to show most satisfactory gains. As regards countries where our brands of Gin are locally produced, both Gordon's and Booth's High & Dry recorded useful increases in the United States and sales of Gordon's in Spain showed substantial progress.

In spite of the general recession in trade, world-wide sales of Group brands of Gin reached a record level.

VODKA

The growth in the sales of Cossack Vodka in the home market continued, although the market remained extremely competitive. In the United States Gordon's Vodka achieved further progress.

PIMM'S

The encouraging increase in the sales of Pimm's in the UK market which I reported last year was not maintained. The poor summer in 1974 undoubtedly had an inhibiting effect. Nevertheless, the prospects for Pimm's remain bright.

COGNAC HINE

In common with most Cognac houses, Hine experienced a difficult year in terms of over-all sales and profits.

The company emerged from the year well equipped to support increased sales in the future while, at the same time, maintaining the high quality of its brands.

AUSTRALIA

The results of the United Distillers Pty. Ltd. suffered a severe setback due to the difficult economic situation in Australia and in particular the further sharp increase in duty imposed in July 1974. This led to a serious fall in sales of the Company's products and to a substantial loss on trading.

Tolley, Scott & Tolley Ltd. also had a difficult year, during which sales of their Australian brandy were much affected by the steep rise in the rate of duty.

FOOD GROUP

The Yeast and Food Division had a successful year with increased turnover and a further improvement in profitability. The sale of food products to the catering and bakery trades continued to expand and the return upon capital employed was satisfactory. Sales of Bakers' and Distillers' Yeasts in the United Kingdom were maintained but exports of Active Dried Yeast were reduced in the second half of the year.

The Peerless Refining Company had a difficult year. The subsidy on butter caused a reduction in the demand for margarine and exceptionally high prices for oils and fats lowered consumption for manufacturing purposes. As a result, sales and profits were considerably reduced.

CARBON DIOXIDE

The results of our Carbon Dioxide operations were seriously affected by the general economic climate. Costs escalated sharply to an extent which substantially outweighed the increases in price which could be obtained. At the same time, growth was restricted and sales in terms of volume showed only a very small increase on the previous year's level. As a consequence, profits were much reduced.

UNITED GLASS LIMITED

The consolidated profit of United Glass in the calendar year 1974 was £5,510,000 before taxation compared with £5,625,000 in the previous year.

Lost production caused by disruptive disputes in those industries which provide the divisions with essential supplies and services made it impossible to meet all customers' requirements. However, each division either maintained or exceeded previous production levels and this reflected the growing benefits of the planned investment programme of recent years.

It seems clear from the experience of the early months of 1975 that a quite dramatic collapse in demand for glass containers of all types has occurred. This is producing somewhat different problems for the management in the current year but the Company remains soundly based to take advantage of market opportunities.

PERSONNEL

Our personnel again demonstrated their ability to cope with the adverse conditions in which business was conducted last year. Their achievements in the circumstances deserve our appreciation and thanks.

FUTURE PROSPECTS

The demand for Scotch Whisky in export markets, so strong over past years, has shown particular weakness in the USA since last Christmas. In many other parts of the world consumption remains encouraging and the prospect for sales reasonable. As regards profitability it is hardly possible to comment usefully on the future at a time when our Government is making further attempts to contain inflation. Our future is very much dependent upon the outcome of these efforts.

The Ninety-eighth Annual General Meeting of The Distillers Company Limited will be held at the North British Hotel, Edinburgh, on Thursday, the 18th day of September, 1975, at 12.15 p.m.

The Distillers Company Limited (DCL)

COMPANY NEWS

£59m. reduction in UDT reserves

FOR THE year to June 30, 1975, a loss before tax of £32.4m. is reported by United Dominions Trust against a profit of £11.7m. for the previous year. At halfway a loss of £27.3m. was recorded compared with a profit of £11.1m.

The loss for the year is arrived at after providing £21.6m. in respect of advances secured on U.K. property: taking no credit for unpaid interest totalling over £5m.; increasing materially the standard provision in respect of U.K. consumer credit business, including certain exceptional overseas losses; and charging all redundancy and reorganisation costs.

A major reorganisation of the group was completed during the year and this included the elimination of some 1,000 jobs.

The Board has also decided to write down the value of certain assets in the balance-sheet by a total of £25m.—of which £21m. is charged as extraordinary items and £4m. direct to reserves—bringing the aggregate reduction in reserves to £59m.

This includes writing down holdings of quoted shares in associated companies and trade investments by £6m. to current market value; writing off the goodwill of £7m. in respect of the acquisition of Commercial Trading Company of the U.S.; reducing the book value of investment in Rhodesia by nearly £4m. to a nominal amount; and reducing the book value of freehold office building at 31 Eastcheap by £4m. to £12m.

Chairman Mr. L. C. Mather says that he is confident that the company has now turned the corner and that the year was the end of "our painful experience."

Meanwhile, there is to be no dividend on the ordinary stock and, for technical reasons, payment of dividends due on June 30 on the three classes of cumulative preference stock has been deferred.

	1974-75 £m.	1973-74 £m.
Group loss before tax	[illegible]	*11.7
U.K. prop. finance loss	24.7	*1.0
U.K. banking, industrial and consumer finance loss	5.7	1.0
U.K. industrial activities loss	0.1	*1.5
Overseas profit	1.1	10.2
U.K. tax credit	2.6	0.1
Overseas tax charge	3.0	5.1
Net loss	32.8	*[illegible]
Minorities	0.9	2.5
Preference dividend	—	0.1
Extraordinary debits	21.1	[illegible]
Attributable loss	54.8	*7.1

* Profit. † Credits.

Due to the continued support of the clearing banks, headed by the Bank of England, Mr. Mather remains convinced as to the inherent strength of the group's position now and in the future. The banks are prepared to ensure the continued availability of funds but these are relatively expensive and the rates the group has to pay in current difficult conditions are a handicap to its competitive capacity.

The aim must be to attract a greater part of funds directly from depositors and so reduce the extent to which the group is compelled to rely upon support. Accordingly, the group is renewing its efforts to attract deposits direct from commercial and institutional friends and the public, he explains.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Anglovaal, Benford Concrete Machinery, Godfrey's, The Jersey Electricity Company, Noble and Land, W. L. Pawson, R.K.T. Textiles.

Finals:—Allied Investments, F. Austin (Leyton), Brigray Group, General Engineering (Radcliffe), Investment Co., Orme Developments, Regional Properties, Town and City Properties.

FUTURE DATES

Interims:—

Associated Fisheries	Sept. 18
Blagden and Noakes	Aug. 27
British Petroleum	Sept. 4
Brown Bros. Corpn.	Sept. 4
Cement-Roadstone	Aug. 28
House of Fraser	Aug. 26
Imperial Metal Industries	Sept. 2
Ladbroke	Aug. 29
Prudential Assurance	Sept. 18
Reardon Smith	Sept. 4
Rolls-Royce Motors	Sept. 13

Finals:—

Baillie Holdings	Aug. 27
Harmony Gold Mining	Sept. 11
M.L. Holdings	Aug. 28
Stoddard	Aug. 28
Waring and Gillow	Aug. 27

London Brick recovers to £5m. at midway

IN THE six months ended June 30, 1975, profits of the London Brick Company have recovered from £1.37m. to £5.09m. At this level the figure exceeds the 1974 total by £2.42m. and comes within £527,000 of the profit shown for the first half of 1973.

The directors state that the recovery stemmed from a combination of factors. The most important of these was a steady rise in the level of house building following the collapse that occurred in 1974. Steps that then had to be taken to reduce output and the subsequent gradual improvement in demand has enabled the company to lift some 168m. bricks from stock during the six-month period.

As a result, deliveries in the first half were higher than in the same period of 1974. In addition, the January price increase and subsequent withdrawal of the winter discount in April restored margins following the exceptional increases in cost in the closing months of 1974.

Since the half year, demand for bricks has been maintained and this has enabled remaining stocks of standard bricks to be lifted from the ground. The first steps to restore the production lost in 1974 were taken as early as March when output was raised by 10 per cent. through the reintroduction of overtime.

Further increases in production are planned and are now being discussed with the trade unions, the directors state.

An interim dividend will be declared in October.

	First-half 1975 £000	1974 £000
Turnover	31,073	20,797
Trading profit	6,044	2,032
Depreciation	700	692
Investment income	34	281
Interest charges	[illegible]	224
Profit before tax	5,087	1,367
Taxation	2,755	749
Net profit	2,332	618
Extraordinary debits	—	266

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See Lex

RFD in sound position

CHAIRMAN of RFD Group, Mr. D. R. B. Mynors, says in his annual statement that the group is in a sound financial position and this gives a good basis on which to build. He is confident of the group's ability to deal with the challenges which lie ahead.

The auditors have not attempted to reassess the value of stocks of the subsidiary, RFD-GQ, at March 31, 1974 and have therefore not been able to express an opinion whether the profit of the group has been properly allocated between the years prior to that date and the year to March 31, 1975.

On this matter the chairman states that the Board does not consider that there to be any material amounts included in the results which relate to prior years.

Mr. Mynors points out that the auditors opinion contains no reservations with regard to group balance sheet at March 31, 1975.

As reported on July 31, pre-tax profit for the year to March 31, 1975 amounted to a record £1.43m. against a £350,000 loss for the previous year. The dividend is 1.1789p net (0.1p) and has Treasury approval.

Meeting, Winchester House, E.C., on September 12, at noon.

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Upturn at Anglo-Ecuadorian

A FIRST HALF 1975 increase in pre-tax profit from £0.79m. to £1.24m. is announced by Anglo-Ecuadorian Oilfields, and the directors forecast that results for the second half should not differ materially from those of the first six months. Profit in 1974 amounted to £1.19m.

They describe the half-time results as "encouraging, although regrettably the return on the marketing of petroleum products continues to be unsatisfactory." The improved trading results are due in the main to the export of crude oil from Ancon production and higher profit earned on increased trading by the group's principal subsidiary Cepsa SA.

Exploration expenditure of £414,000 has been charged against profit to June 30, 1975, and will be allowable for tax over the ensuing five years.

The exploration period in respect of the concession acreage in the Oriente region has been extended until December 31, 1975. During the first half of 1975 the company was not actively engaged in any exploration drilling.

Anglo is a subsidiary of Burmah Oil.

	Half year 1975 £000	1974 £000	Year 1974 £000
Turnover	14,736	10,855	24,490
Trading profit	[illegible]	473	527
Div. assoc.	—	58	59
Interest receivable	290	292	665
Interest payable	12	—	—
Pre-tax profit	1,236	793	1,191
Tax	654	290	587
Net profit	582	503	604
Unrealised exchg. gain	†248	*79	—
Minority holders	25	12	34
Operating surplus	785	461	772
Unrealised exchg. gain	783	*75	32*
Group surplus	856	386	740

* Loss. † Unrealised gains on exchange of £248,000 on net current assets and £83,000 on fixed assets and deferred liabilities arise from the translation of foreign currencies into sterling at the rate ruling at June 30, 1975. Unrealised gain or loss for year will depend on rates of exchange at December 31, 1975.

Bensons Systems progress

LOOSE LEAF ring fitting manufacturers for use in catalogues, etc., Bensons International Systems reports increases in both turnover and profit from £3.18m. to £3.55m. and from £435,000 to £481,000 respectively for the first half of 1975. Profit for the year 1974 was £1.09m.

Stated earnings per 20p share advanced from 9.3p to 10.3p, and the interim dividend is raised from 1.2p to 1.28p net. Last year's total was 3.95. Mr. F. Bennett, chairman, and Mr. P. Bennett have agreed to waive rights on the interim dividend to the extent of £5,472 (nil).

	Six months 1975 £000	1974 £000
Turnover	3,530	3,175
Pre-tax profit	481	435
Taxation	242	221
Minorities	21	18
Attrib. Ordinary	218	196

Last month the company's advisers recommended acceptance of a bid for the capital by Esselte, a Swedish company. Formal documents were despatched yesterday.

A scheme is being submitted to the holders of the loan stock whereby it is to be cancelled on terms that the holders receive £122.58 in cash per £100.

The first closing date of the offer is September 15.

Distillers U.S. sales weaken

OUTLINING PROSPECTS for The Distillers Company, the chairman, Sir Alex McDonald, says it is hardly possible to comment usefully on the future when the Government is making further attempts to contain inflation.

He emphasises that the company's future is very much dependent upon the outcome of those efforts.

He reports that the demand for Scotch whisky in export markets has shown a particular weakness in the U.S. since Christmas.

But in many other parts of the world consumption remains encouraging and the prospects for sales reasonable.

As regards United Glass, Sir Alex says it seems clear from the experience of the early months of 1975 that a dramatic collapse in demand has occurred. This is producing different problems in the current year but the company remains soundly based to take advantage of market opportunities.

As announced July 18 group pre-tax profit for the year to March 31, 1975, was £71.02m. (£84.16m.), and the dividend is 3.381p (3.0723p) net per share. A statement of accounts in current pound shows pre-tax £50.07m. (£78.97m.), and earnings per share 9.1p (11.6p).

An analysis of turnover (after eliminating duty) in percentages shows Europe 38; North and South America 27; Africa, Asia and Australasia 15.

There was an increase in net working capital of £88.07m. (£40.46m.) and a reduction in cash balances of £9.48m. (£24.7m.).

Year-end contracted capital commitments were £14.08m. (£7.1m.) after taking account of grants receivable £3.27m. (£1.45m.). Expenditure authorised but not contracted was £23m. (£16.85m.).

Sir Alex says owing to the limitations imposed by finance, some of the capital investment programme had to be deferred. Early this month the company announced that it was raising a £25m. 10-year loan from Finance Corporation for Industry.

Meeting, Edinburgh, September 18 at 12.15 p.m.

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See Lex

Small profit rise at Needlers

After interest charges ahead from £33,100 to £51,700, profit of Needlers, manufacturers of chocolate and sugar confectionery, improved from £32,100 to £35,700 in the first 23 weeks of 1975. For all 1974 profit totalled £13,440.

Tax takes £3,100, against £1,700, leaving £32,600 (£30,400) in the first half. The directors explain that action taken to control, and where possible reduce costs, has enabled the company to hold its profit.

They expect to maintain this level of profitability for the rest of the year in the absence of any major downward turn in the general economy.

There is no interim dividend. The last payment was in 1973.

As reported at the year end, the company cut back operations in anticipation of a reduction in sales due to the "enormous increase in the cost of sugar," say the directors.

This reduction in volume is reflected in turnover which although up in value from £2.06m. to £2.37m. is down in tonnage. The cost of sugar has now stabilised at a figure of about double the price 12 months ago.

However, "the general economic situation and the effect of the very warm summer mean that our level of sales is unlikely to make a significant recovery for some time," they add.

Benefits for PSIT

Chairman Mr. A. R. Perry says that, with the deepening recession, it is impossible to say when Property Security Investment Trust will be able to step up its development programme, but in the current year the company shall benefit from rent reviews now agreed, from interest rates which have fallen from last year's peak and from further lettings and sales.

As reported on August 2, for the year to March 31, 1975 there was an attributable surplus of £503,000 (£407,000). The dividend is effectively held at 1.5450p net.

Mr. Perry explains that during the year, several properties were sold to assist cash flow at a time when conventional financing was not available. Those sales were, in the main, limited to properties either unlet or recently let so that the growth in the group's rental income was unimpaired. More sales may be necessary in the current year, but rental income is expected to rise.

Both short and medium term borrowings were reduced by sales, but further short term borrowing, under existing agreements, was used to finance the construction of properties under development. The overall reduction in the year was some £4m.

Long term mortgages were arranged on overseas developments and the properties charged have been revalued. No properties in the U.K. were revalued during the year.

At March 31, overseas properties had a book value of £8.45m. and U.K. properties of £24.5m. Rental income from overseas property for the year was £475,000 and is currently at the rate of £750,000 per annum, the chairman adds.

Meeting, Great Eastern Hotel, E.C. on September 17 at 12.15 p.m.

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Cavenham growth aims

DESPITE the economic conditions, Cavenham intends to ensure that the mainstream activities receive the capital needed to pursue sustained and vigorous growth, says the chairman, Mr. J. M. Goldsmith.

He stresses that restraining capital investment over a number of years must lead to industrial decrepitude, but the company neither intends to approach holders for new capital nor to increase substantially overall borrowings in relation to capital and reserves.

The policy of concentrating efforts on main activities will be pursued, finding the new capital necessary to support them by eliminating all operations that are either marginal or unrelated to the mainstream of their business.

Steps taken in this direction last year, particularly in the U.S. and France, have given the company the expectations of being able to accelerate the rhythm of capital investment while at the same time maintaining or even increasing its level of liquidity.

At the end of the financial year group capital and reserves amounted to £172m., loan capital was £140m., and net cash or cash equivalent resources exceeded £30m.

Mr. Goldsmith emphasises that profitability alone is not necessarily a valid measure of viability. In terms of substantial inflation, cash flow should take priority.

As reported on June 19 group pre-tax profit for the year to March 29, 1975, was £27.13m. (£29.56m. plus £1.19m. exceptional profits) and the dividend is 23.625 (21) per cent. gross. Principal activities are manufacture and distribution of food, drink, tobacco, etc.

Meeting, Connaught Rooms, W.C., September 26, at 11 a.m.

See Lex

James Neill sales up

First half 1975 group sales of tool manufacturers, general engineers, etc., James Neill Holdings increased by 17 per cent. to £12.09m.

With previous production and administrative problems now largely overcome, the company will be working in the second half of the year to complete the backlog of orders in hand for a number of products, says the chairman, Mr. J. H. Neill.

Home sales advanced 18 per cent. on the similar period last year to £8,490,000 and improved 7 per cent. on the previous six months. Overseas turnover, which accounts for 46 per cent. of total, was stepped up 15 per cent. to £5,395,000 but dropped 6 per cent. against the previous six months.

At the annual meeting in June, the chairman said that in the first five months of 1975 production had increased but administrative problems had caused sales to be lower than they would otherwise have been and it was improbable that all lost ground would be recovered by the end of June. As a result profit for the first half would not be much higher than that for the corresponding period of 1974.

But unexecuted orders would be carried foward and sales and profits in the second half would benefit accordingly.

No dividend by Heywood Williams

ON A TURNOVER up from £13.73m. to £17.72m., pre-tax profit of Heywood Williams Group decreased slightly from £502,000 to £491,000, after substantially higher interest charges of £531,000, against £415,000. At midway profits were up from £170,000 to £270,000.

Finance required to support the turnover resulted in higher borrowings at increased rates, says Mr. B. R. Scholes, chairman. The company manufactures metal window and door frames.

Trading results in South Africa were "highly satisfactory," but U.K. conditions became increasingly difficult. This trend continues and the directors therefore deem it prudent not to recommend an Ordinary Dividend. For the previous year 1.75p net per 50p share was paid.

Stated earnings per share decreased from 11p to 8p, and assets per share, fully diluted, are shown at 135p (101p) including a revaluation of properties.

	1974-75 £000	1973-74 £000
Turnover	17,722	13,749
Trading profit*	1,022	917
Interest—gross	531	415
Profit before tax	491	502
Taxation	221	140
Outside holders	49	9
Extraordinary debits	114	†141
Balance	107	495
Dividends	4	38
Retained	103	435

* After exceptional stock losses on product changes of £33,000. † Credits foreign exchange movements.

Although the level of activity in the construction industry is severely depressed, the company's recent re-organisation in Britain will enable full advantage to be taken of any improvement in the situation, says the chairman.

The extraordinary debits are in respect of redundancy payments and stock losses on discontinued business (£78,000) and loss relating to a subsidiary in course of disposal (£36,000)—all these factors being the result of reorganisation now largely completed.

Leisure Parks sees peak year

CURRENT YEAR pre-tax profits in the range of £1.1m. to £1.2m. were forecast by the directors of Leisure Caravan Parks at the annual meeting yesterday.

Members were told that steady growth continued. The usual cash trend had been followed and all overdrafts had been repaid and the company had some £400,000 on deposit.

Since over half the income of the group was from rents receivable in advance and the majority of the remainder of the income was receivable in the first half of the financial year the directors were confident that for the twelfth successive year record profits would be achieved.

E. Elliott well below forecast

Compared with a forecast of more than £380,000, pre-tax profit of E. Elliott, plastic moulders and manufacturers of optical goods, amounted to £287,030 in the year to March 31, 1975. The previous year's figure was £251,981.

The directors explain that the outcome was reduced by about £110,000 in respect of provision against stocks following the sudden reduction in activity of the plastics division since January, 1975, and the losses incurred by the associated companies.

Profit in the first half amounted to £214,000 (£120,000).

Earnings for the year are shown to be down from 5.59p to 5.52p per 25p share and the dividend is 2.75p net (same).

	1974-75 £	1973-74 £
Turnover	3,612,165	2,480,378
Pre-tax profit	287,030	251,981
Tax	132,309	135,787
Net profit	114,721	116,194

English & Scottish Investors

Gross revenue of English and Scottish Investors dropped from £543,936 to £490,000 during the six months ended July 31, 1975 but after tax of £125,963, against £148,550, the net level comes out at £245,795, compared with £209,649. The net revenue total for the year 1974/5 was £406,422.

Stated earnings per 25p share are up from 2.28p to 2.7p in the half year and the interim dividend is held at 1p net, absorbing £83,630. Last year's total was 3.25p.

Net asset value is 140.4p (120.6p).

Total assets at market value are £19.1m. (£14.26m.) including the full dollar premium of 53½ per cent. (64¾ per cent.) where applicable.

No allowance has been made for the loss of premium amounting at July 31, 1975 to £426,786 (£629,849) which would arise on sale of foreign currency securities.

If the Euro-dollar loan had been repaid at July 31, 1975, a profit of £52,086 (nil) would have resulted which included the full dollar premium arising on such profit. Allowance has been made in the total assets for such profit.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
$106	F.P.	—	277	276	Brazilian Invs. S.A.	276	−1	—	—	—	—
55	F.P.	21/8	55	54	Lawrence (Walter)	54	.....	b4.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	21/8	[illegible]	7	Attwell Corp. 10½% Conv. 95/2000	87	.....
$100	F.P.	—	101½	99½	Barclays Bank Int. 8¼% Capital Notes 1982	99¼	.....
£100	F.P.	7/11	[illegible]	50	Barnet Corp. 13½% 1980	50½	−¼
£100	F.P.	7/11	[illegible]	49	Do. Do. 14% '84	50¼	−¼
[illegible]	£10	—	10	9½	Bristol Water 9% Red. Pref. 1980	9¾	.....
£100	F.P.	—	100	[illegible]	CSR 9¾% Notes 1980	100	.....
[illegible]	£10	12/9	10½	9	Camb. Water 9% Red. Pref. 1980	9	.....
£100	£50	—	49½	44	Ciba Geigy (U.K.) 8¾% Guar. Ln. 1982/90	44	.....
£97½	F.P.	12/9	97¼	96½	City of Westminster 12½% Red. Stk. 1981	96¾	−⅞
£99	F.P.	5/9	100	99	Clayton Dewandre 14% Deb. 90-95	100	+½
£98½	£10	5/12	11¼	9	Derby Borough Council 12½% Stk. 1982	10¼	−⅞
[illegible]	F.P.	29/8	100¼	99	East Surrey Water 9% Red. Pref. 1980	99	.....
[illegible]	F.P.	6/3	98	89	English Properties 12% Conv. Ln. 2000/05	91	−2
£100	F.P.	—	104½	100	[illegible] Finance U.K. 9¾% Conv. Gtd. [illegible]	102	.....
[illegible]	Nil	—	[illegible]	[illegible]	Fisons 10% Cnv. Red. Cum. Pref.	[illegible]	−½
£99	F.P.	31/7	[illegible]	[illegible]	Folkestone Dist. Water 9% Red. Pref. 1980	[illegible]	.....
£100	£50	23/10	56½	52	Hovertd. 10% Guar. Ln. 1990	54	−½
[illegible]	£40	22/8	45	40½	Land Secs 10% Conv. 90-95	45	+1½
[illegible]	F.P.	21/8	101½	97	Mitchell Cotts 15% Conv. Uns. 90-95	101	.....
£99	£10	26/9	10½	8	Newcastle & Gateshead 9% Red. Pref. 1980	8	−¼
£99	F.P.	31/7	112½	100½	N. Surrey Water 9% Red. Pref. 1980	100¼	.....
[illegible]	F.P.	—	105	87	Property Hldgs. & Inv. 9% Conv. 90-95	88	.....
[illegible]	F.P.	—	99	94	Schlesinger Int. Fd. (Jersey) Part Red. Pref.	99	.....
£99	F.P.	29/8	99½	95	Sunderland Water 9% Red. Pref. 1980	98	.....
[illegible]	F.P.	—	91	71½	Turner Curzon 10% Conv. Uns. 78-80	89	+1
[illegible]	F.P.	29/8	101¼	[illegible]	Whitbread 11% Conv. 1995	99¼	.....

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		Stock	Closing Price p	+ or −
18	F.P.	13/8	10/9	Adams Foods	19	.....
46	F.P.	7/7	10/9	BOC Intl.	44½	.....
90	F.P.	22/8	17/10	B.T.R.	129½	+1
I £1.25	Nil	4/9	1/10	Bank of Leumi (Israel)	8pm	.....
115	F.P.	21/7	1/9	Bowater	150	.....
10	Nil	—	—	British Car	16pm	−½
50p	F.P.	25/7	5/9	British Steam Specialties	53	+1
30	F.P.	21/7	29/8	Century Oils	35	.....
66	Nil	4/9	3/10	Chubb & Sons	12pm	.....
36	F.P.	22/8	19/9	Clayton Dewandre	54	+3
45	F.P.	6/8	4/9	Comp Air	55½	+½
25	Nil	27/8	26/9	Crellon	1pm	.....
41	F.P.	22/8	19/9	Crossley Building	45	+1½
65	F.P.	21/8	16/9	Davy Intl.	76	+1
72	F.P.	30/7	28/8	Dundee-Combex-Marx	106	.....
25	F.P.	15/8	19/9	Empire Stores	71	+2
10p	F.P.	[illegible]	5/9	Freshor	21	.....
25p	F.P.	15/8	[illegible]	Hanson Tst.	85	+5
10p	F.P.	29/7	3/9	Headlam Sims & Coggins	11½	.....
25	Nil	29/8	5/10	Howard Machinery	5½	.....
48	F.P.	15/8	16/9	Law Land	48	+1½
103	F.P.	30/7	15/8	Legal & General	111	.....
128	F.P.	15/8	19/9	McCorquodale	157	.....
210	F.P.	1/8	29/9	Metal Box	252	+6
32	F.P.	20/8	2/10	Morgan Edwards	38	.....
25	Nil	—	—	Normand Elect.	3pm	.....
105p	F.P.	21/7	29/8	Pegler Hattersley	116	+1
$U.S.5	F.P.	—	—	Poseidon	190	−5
106	F.P.	11/8	5/9	Renold	115½	−½
78	Nil	26/8	19/9	Royal Worcester	14pm	.....
40p	Nil	26/8	25/9	Scottish & Newcastle Brewery	7pm	.....
10	F.P.	28/7	12/9	Senior Engineering	15¼	.....
80p	F.P.	25/7	13/9	Sketchley Gorman	127	−2
95p	F.P.	25/7	5/9	Smiths Industries	98	+3
170	F.P.	8/8	3/10	Tate & Lyle	192	−3
35	F.P.	15/8	12/9	Westland Aircraft	42½	+½
110	F.P.	5/8	29/8	Winterbottom Distribution & T.	138	.....

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. pm Pence unless otherwise indicated. n Forecast dividend; cover based on previous year's earnings. [illegible]

RESULTS AND ACCOUNTS IN BRIEF

ANGLO-INTERNATIONAL INVESTMENT TRUST—Interim dividend 0.7p (same). Revenue after expenses but before tax, half-year to June 30, 1975, £127,207 (£125,014). Tax £45,246 (£48,850). Interim dividend £42,000 (same). Net assets (taking quoted investments at market value) £4,192,000 equivalent to approximately 134p (one year ago 89p) per Asset share. Dollar premium calculated at 71.375 per cent. on $U.S.2.1736 to the £1.

DE BEERS INDUSTRIAL CORPORATION—Interim dividend 22.5 cents (same) for half-year ended June 30, 1975. Investment income and sundry revenue (R000 omitted) R5,192 (R4,825 and R7,963 year 1974). General expenses R39 (R38 and R74). Profit before tax R6,143 (R4,387 and R7,890). To tax R80 (R42 and R97). Net profit R5,063 (R4,345 and R7,801). Preference dividend R35 (same). Interim R2,475 (same). Should not be assumed that results for half-year will be repeated in the second half. Regarding share issue by AE and CI, De Beers Industrial has agreed to participate in this issue up to a maximum of R22m.

LONDON AND LOMOND INVESTMENT TRUST—Gross revenue, half-year ended June 30 1975, £453,211 (£332,678). U.K. tax £116,131 (£103,700). Net revenue available Ordinary £191,232 (£183,634). Interim dividend 0.7p (same) £132,300 (same). Earnings per 25p unit 1.01p (1.02p). Net assets, including full dollar premium of 71¾ per cent. (35 per cent.) where applicable £15.43m. (£11.9m. at end-1974). Net asset value per unit after deducting prior charges at par 66p (39p).

PREMIER (TRANSVAAL) DIAMOND MINING COMPANY—For half year to June 30, 1975: Operating profit on joint account (R000 omitted) R1,326 and estimate for year 1975 R925 (half-year 1974 R2,978 and year 1974 R4,387). From stock realisation R740—to reserve R322 (R250 and to reserve R870). Appropriated for fixed assets R497 and R2 (R402 and R1,236). Realised profit on joint account R1,818 and nil (R2,825 and R2,173). Attributable to State R1,091 and nil (R1,695 and R1,304). Attributable holders R727 and nil (£1,130 and R869). Other income R65 and R92 (R41 and R75). Profit before tax R792 and R92 (R1,171 and R944). Tax R287 and nil (R322 and R647). Net profit R505 and R92 (R849 and R297). Operating profit on joint account during the first half of the year was result mainly of sales from stock which will not be matched during the second six months. Cost of mining is currently in excess of the value of production and it is anticipated that there will be an operating loss on joint account during second half.

SEA DIAMOND CORPORATION—Expenses, half-year ended June 30, 1975, R8,962 (R9,265) increasing accumulated loss to R119,850. Documents containing full particulars of the scheme whereby company will become wholly owned within De Beers Group will be posted next month.

THURGAR BARDEX (makers of plastic products)—Interim nil (0.3p and total was 0.6215p). Group profit before depreciation and taxation, 24 weeks to June 14, 1975, £48,336 (£140,782). Depreciation and amortisation £28,094 (£21,555). Interest payable £19,287 (£26,039). Profit £955 (£93,169), less corporation tax nil (£48,000). Question of final dividend can only be considered in the light of group's performance during the rest of the year. In the present economic recession it is very difficult to make progress and to achieve the volume of sales necessary to earn satisfactory profits. The company has acquired the whole of the Airfix Plastics pail drum container business for cash. Arrangements have been concluded with the bankers whereby a five-year-term loan of £200,000 (reducing at £40,000 per annum) has been made available at 3 per cent. over base rate. This money has mainly been used in the purchase of the Airfix Container business. Additionally, satisfactory overdraft facilities have been made available. Board considers that these arrangements provide adequate medium and short-term facilities for the present needs.

MINING NEWS

Tin companies pay more

BY LESLIE PARKER, MINING EDITOR

ALTHOUGH THE group profit after all charges including taxation has dropped from £1.05m. to £0.6m. for the half year to June, Tronoh Mines' interim dividend has been raised by the permitted amount to 1.641p a share which compares with 1.371p for 1974. The payment absorbs £160,000.

For the whole of last year the group profit was £1.99m. and dividends totalled 4.02p, an increase which was more than that then allowed by the U.K.'s counter-inflation legislation but which was approved by the Treasury.

Another Charter Consolidated group tin company Ayer Hitam has had its 1974-75 dividend rise approved by the Treasury although it represents an increase of more than 10 per cent. The final of 8p thus makes a total of 13p compared with 9.8p.

Ayer Hitam's profit for the year to June is £1.37m. compared with £1.04m. The dividends absorb £0.79m. The company's output was 3,125 tonnes of tin concentrates, up from 2,636 tonnes in 1973-74. The average Penang tin price in the latest period was also up at $M1,029 a picul against $M953. Yesterday's price was $M995.

Tronoh's 1975 production is lagging at 1,260 tonnes of concentrates for the half year, down from 1,642 tonnes at this time in 1974. Yesterday, in front of the latest declarations, Tronoh were unchanged at 50p and Ayer Hitam 2p better at 132p.

NO SOUTHVAAL INTERIM

A net taxed profit of R198,000 announced by the Anglo American group's Southvaal Holdings for the first half of 1975 does not reflect the company's true earning power. It compares with R214,000 for the same period of last year but with R2.06m. for the whole of 1974. And there is no interim dividend. A maiden 9 cents was declared for 1974.

The royalties receivable from the Vaal Reefs operation will not be credited until the end of the year. The half-year total was R1.24m. compared with R2m. for the same period of 1974. Yesterday Southvaal were £11½. Their attraction tends to wax and wane according to whether or not they are the cheaper way in to the whole Vaal Reefs gold-uranium operation, one of the largest and most promising in South Africa.

DEELKRAAL TO COST MORE

In announcing the start of shaft-sinking the Consolidated Gold Fields group's new Deelkraal gold-mining company in South Africa said that the capital cost thereof, already escalated from R85m. to R100m. (£66m.), was likely to be in excess of the revised amount.

Trial milling target is still early-1980 with normal production at a monthly rate of 60,000 tonnes of ore starting midway through that year. Full milling capacity of 140,000 tonnes a month continues to be scheduled for 1983. Yesterday Deelkraal rose 4p to 390p.

GLOBE PHOENIX LOOKS AHEAD

As indicated by our comment earlier this week on the 1974 results of the U.K.-registered Globe and Phoenix, there is a fair hope that better times may be in store for this company whose assets, mainly in Rhodesia, have been revalued and equal some 150p per share compared with the current London price of 43p.

The chairman, Mr. Fraser S. Bird, anticipates in the latest annual report that the associated companies, notably the U.K. dealing investment concern, Phoenix Mining and Finance, will have a better year. The latter's loss hit the 1974 results of Globe which had more than doubled its own gross revenue.

Globe has maintained its 1.25p dividend for 1974 with the help of retained earnings and should be able to do so again this year. Meanwhile, funds in Rhodesia, which include the equivalent of some £1m. over the next five years or so from the "clean-up" of the company's rich old gold mine, are being reinvested in property development and other opportunities.

Clearly, a settlement of the Rhodesian political situation would bring an immediate upwards reassessment of the share's investment standing. And the chances of detente may have been increased by Zambia's now heightened need of copper export routes via Rhodesia following the closure of the Angolan outlet.

MARY KATHLEEN UNIONS ARGUE

An inter-union squabble has blown up at the Rio Tinto-Zinc group's Mary Kathleen uranium mine in Queensland which is due to be re-opened next year. As reported here yesterday, a biennial congress of Australian mining unions has voted heavily against the mining and export of Mary Kathleen's uranium.

The congress decision has to be referred to the Queensland Trades and Labor Council. In the meantime, however, comes news that the workers at the mine are equally determined that it shall be re-opened. They have rejected the congress banning decision by a vote of 199 to 1.

Furthermore, it is reported that Mr. Jack Egerton, president of the Queensland Trades and Labor Council, has said that any union leader who went to Mary Kathleen to stop mining would be "tarred and feathered and railroaded out." The powerful Australian Railway Union and the Building Workers Union have countered by announcing immediate bans on rail transport and building at the town.

BIDS AND DEALS

Spirella extends offer

SPIRELLA, whose £5m. bid for Vantona is being supported by part of the Vantona Board but opposed by the majority of it, has extended its offer until September 2.

The extension follows Spirella's announcement yesterday that it has now received acceptances in respect of 32.7 per cent. of Vantona Ordinary shares, about 18 per cent. more than the company had received when its formal offer document was despatched on July 28. In addition to these 32.7 per cent. acceptances Spirella also has a further 3.37 per cent. after purchases in the market making a total stake in the company of 36.1 per cent.

Rothschilds, who are acting for Spirella, described the acceptances as an "encouraging response." Spirella is understood to be confident of winning 51 per cent. acceptance by September 2, particularly as a number of small shareholders have been on holiday and have yet to reply.

Spirella has the option to extend the offer further until, if necessary, September 26. Between 20 and 25 per cent. of Vantona is owned by institutions and it is understood that two out of four of the largest institutional shareholders have so far not accepted the offer.

If Spirella fails to get the required level of acceptances in the next ten days and decides to go on with the bid it may decide to vary the terms. There have been suggestions by some institutions that they are not happy with the conversion terms or that they are looking for an increase in the value of the bid, currently about 46p a share.

INVESTMENT TRUSTS MERGER TERMS

The terms of the proposed merger of General Investors and Trustees and City and Gracechurch Investment Trust were announced yesterday. They are based on net asset values as at June 30 1975: for every 1,000 Ordinary 25p C.A.G. shares 350 Ordinary 25p shares in G.I.T. and for every 1,000 Convertible Ordinary 25p C.A.G. shares 413 Ordinary 25p G.I.T. shares.

The C.A.G. Board is to pay a second interim dividend in lieu of the final of 0.675p per C.A.G. Ordinary making a total of 1.1125p per C.A.G. Ordinary for the year to June 30 1975. A special interim dividend of 0.2p per C.A.G. Ordinary and 0.236p per C.A.G. Convertible Ordinary will be paid within 28 days of the scheme becoming effective.

The Board of G.I.T. is declaring an interim dividend for the year to January 31 1976 of 1.05p per G.I.T. Ordinary and also a second special interim dividend in respect of that year of 0.467p per G.I.T. Ordinary to shareholders registered on the day before the scheme becomes effective.

The G.I.T. Board intends to recommend, barring unforeseen circumstances, a final dividend for the year to January 31 1976 of 1.283p per Ordinary for which the new G.I.T. Ordinary shares will rank. It is equivalent to 0.449p per existing C.A.G. Ordinary.

Grenfell and Colegrave announce that they have bought £150,000 of the CAG 6¾ per cent. Debenture stock 1983-88 at 82¼ for cancellation.

LAND & GENERAL DIRECTORS NON-COMMITAL

The directors of Land and General Developments are neither recommending nor opposing the offers by Somerston Shipping Company and Channel International Trust for the L and G Ordinary and "A" shares they do not already own.

In a letter to shareholders, Mr. J. W. Skelsey, chairman of the company—which was formerly associated with Penny Brahms and which has a troubled history—says the directors feel it would be "more helpful" to make available factual information and leave them to make their own decision in the light of their own circumstances.

The factors the directors have taken account of in formulating their view are as follows: One, the cash offers of 45.25p and 18.1p respectively for the Ordinary and "A" shares compare with a net asset value of 39.6p per share (of either class). Two, it is difficult to form an accurate view of the amount to take into account for tax. Three, Somerston and Channel already owns 75 per cent. of the Ordinary and 57 per cent. of the "A" shares and if a substantial number of shareholders accept the offers it is possible the quotations for the shares would be permanently withdrawn. Four, the director have received assurances from Somerston and Channel that interests of management and employees will be safeguarded.

A valuation of group properties by Douglas Young and Company, chartered surveyors, as at July 16, 1975, has put a value on an open market sale basis of the freehold and leasehold properties at £2.57m., the two largest properties being Clifton Heights, Bristol—valued at £1.75m.—and Park Place, Clifton—valued at £470,000.

MATHER & PLATT COMPLETES DEALS

Mather and Platt announces the allotment credited as fully paid up of 43,983 Ordinary shares in connection with the acquisition of the minority interest in Sigmatron (now Mather and Platt Electrical Installations), and 125,000 Ordinary shares in connection with the acquisition of the minority in DJM Electronics.

BAT Brazilian affiliate gets $38m. loan

BY SUE BRANFORD

SAO PAULO, August 21.

THE MINISTER of Planning, Sr. Joao Paulo Dos Reis Velloso, will be present to-day at the signing of the contract for the largest loan that the government-owned BNDE (National Economic Development Bank) has ever made to a private company. The $38m. loan is going to Aracruz Celulose, an afforestation company in which British American Tobacco, through its Brazilian subsidiary, Souza Cruz, has a 21.7 per cent. holding. The loan will be used by Aracruz to help finance a large pulp factory which will eventually have an annual production of 400,000 metric tons of bleached kraft pulp.

Aracruz already has a large afforestation project with 100,000 acres already planted with eucalyptus trees, and with plans to plant another 72,000 acres by 1977.

Besides BAT, the Swedish company Billerud Aktiebolog also has a 7.5 per cent. holding in the company. However, Brazilian capital, Government and private, has a controlling interest (51 per cent. of the shares). Most private companies, including Souza Cruz, by far Brazil's largest cigarette manufacturer, are participating in the project through the TAG incentive scheme by which companies can deduct up to 50 per cent. of their income tax provided the money is invested in a priority sector of the economy.

One reason for the Government loan is to make sure that the project is not delayed. Kuwait Trade Corporation is planning a $40m. investment in the company, but the negotiations have been proceeding very slowly. It is not believed that the Government loan will close the door to Arab participation but, on the contrary, will demonstrate the Government's confidence and commitment to the project.

More moves in Cyclone battle

BY JAMES FORTH

SYDNEY, August 21.

THE TRADE PRACTICES Commission, which has already blocked one takeover bid for steel products group Cyclone Co. of Australia, to-day asked another suitor, Boral, to stop buying heavily on the share market. The request comes on the eve of a special meeting by Cyclone tomorrow to seek shareholders' ratification of a proposed acquisition by Cyclone which will entail the addition of 7.6 per cent. to its capital. If approved, the deal will strengthen Cyclone directors' resistance to the Boral bid, because the recipients of the new shares cannot sell for twelve months without the approval of Cyclone.

The TPC decided to investigate the implications of the Boral bid even though it had not applied for a clearance. A company need not apply if it believes the takeover would not reduce competition—but can be ordered to divest itself and face a fine of up to $A250,000 if the TPC can establish that the purchase did reduce competition.

The TPC stepped in after Boral made its second offer and then began buying on the market. In two days it picked up about 1m. Cyclone shares, lifting its holding to 14.2 per cent. of the capital and making it the largest shareholder. Boral intended to keep buying until the meeting in an effort to block the Cyclone purchase but was thwarted by the TPC.

Cyclone plans to buy the 28.3 per cent. interest in Cyclone Double Grip Scaffolding Pty. held by London and Midland Steel Scaffolding.

If Cyclone can obtain approval it will increase its capital by 7.6 per cent., watering down Boral's holding and making its task more difficult. Boral appealed to the TPC to withdraw its request to stop market purchases and to ask Cyclone to adjourn its meeting until the annual meeting, but the TPC refused.

In a further development late tonight Boral directors sent two telegrams to Cyclone's home stock exchange, Melbourne, claiming that Cyclone had breached Exchange listing requirements and requesting the Exchange to cancel to-morrow's meeting. Boral said that the number of shares to be issued by Cyclone exceeded more than 10 per cent. of market capitalisation, and pointed out that some directors of Cyclone Double Gripp, who would receive Cyclone shares, were also Cyclone directors.

No reconstruction for Oyama

TOKYO, August 21.

OYAMA SHIPPING is being forced to liquidate its assets, following a decision by the Tokyo district court not to allow the firm to attempt a reconstruction under legal protection from creditors.

Officials listed the company's liabilities as about Y17.2bn. The value of its assets has not been determined yet.

Oyama's bankruptcy is attributed mainly to overinvestment in vessels and facilities, aimed at containerising South-East Asian shipping routes just before the volume of trade on those routes slumped sharply. The company then became involved in a rate-cutting battle that resulted in negative cash flow.

Oyama was also hurt by the severe port congestion in the Middle East. Its conventional cargo ships became stranded in Middle Eastern ports waiting to unload, thereby reducing the company's revenue even more.

Main bankers in Japan are Saitama Bank, but Oyama is not a member of any major Japanese industrial group. Nor was it a participant in the Japanese Government's domestic merchant marine programme. Both factors led to its speedy demise once bankruptcy proceedings were initiated.

The company's most attractive asset is considered to be a 63.3 per cent. interest in Kowloon Container Warehouse, of Hong Kong.

AP/DJ

HIL to accept HK$150m. offer

By Philip Bowring

HONG KONG, August 21.

ON THE ADVICE of merchant bankers Schroders and Chartered, the Board of Hutchison International is to advise shareholders to accept the offer made by the Hongkong and Shanghai Bank two weeks ago by which the bank would subscribe to an issue of 150m. new shares at HK$1 (par value), and appoint a new chief executive and two other Board members.

An extra-ordinary general meeting of HIL will be called for September 4 at which the Board will propose ratifying the offer and permitting the required increase in issued capital. Shareholders are promised a statement next Wednesday listing "all of the relevant details." Unless these include all of the relevant financial details about the company's position, so long denied to shareholders, the meeting could be stormy. Shareholders may need little convincing that Schroders and Chartered is right in concluding that there is no other viable solution, at this late hour, to HIL's problems. But they will need to be convinced that the offer from the bank is equitable and that Wardley, the merchant banking arm of the Hongkong Bank, had no alternative but to pull out of the rights issue by which HIL finances were to have been put in order.

HIL directors will need to explain the facts and figures of the present predicament, and how the company got into it.

HIL shares were traded today at HK$1.58—no less than 58 per cent. more than the bank will pay for its shares when the deal goes through, as it now unquestionably will.

H.K. Land buys Cannae holding

Financial Times Reporter

THE HONGKONG Land Company has purchased a substantial shareholding in Cannae, a company which is constructing a prestige office building in Jakarta in joint venture with Indonesian partners.

The Hongkong and Shanghai Banking Corporation is the major shareholder in Cannae with other shareholders including the New Zealand Insurance Company. The project will be ready for occupation by August 1978, and will cost approximately HK$100m. The building is on schedule and when finished will be 15 storeys and will accommodate the Jakarta office of the Hongkong and Shanghai Bank.

The building is situated in the hub of Jakarta's commercial district, with Kota to the north and Thamrin to the south. On completion it will contain 16,000 square metres of office space, and will be among the most modern buildings in the city.

Westralian profits

By Our Own Correspondent

SYDNEY, August 21.

WESTRALIAN International, Perth-based merchant bank, boosted profits sharply to $A336,302 in the year to June 1974. Despite the improvement the company has not declared a dividend to its shareholders, which include crown agents for overseas governments and administrations.

Unchanged dividend recommended at GHH

FINANCIAL TIMES REPORTER

Gutehoffnungshuette, the holding company of the GHH group, West Germany's giant heavy engineering concern, reports in preliminary figures for year ending 30th June, 1975, that although the order intake did not come up to the high expectations which arose out of a lively first half (July to December 1974), the group finished nevertheless with a record order intake totalling DM11.8bn. (1973-1974 DM11.1bn.). At the year end, orders in hand amounted to DM10.7bn. (DM8.6bn.), an increase of 24.3 per cent. Of this, export business amounted to 63.4 per cent. (62 per cent.).

Turnover was actually slightly down at DM9.7bn. (DM10.4bn.), but this, says the group, is not particularly significant. The group apparently was working on a number of unfinished big projects which could not be taken into account for the year in question, although partially finished.

The domestic market picked up during the beginning of the year, but by May 1975 had stagnated again to the low level of the previous year. June, however, saw a rush of orders, obviously a result of companies wishing to take advantage of government investment grants in respect of orders placed before the end of June.

Export business, which up to February, 1975, had been able to compensate for the low home demand, fell away abruptly in the last few months of the year when the full effects of the world-wide indsutrial recession, coupled with the de facto revaluation of the DM, were felt. Areas most affected were printing and machinery for the plastics industry, iron and steel trading and cable manufacture in which one of the group's largest subsidiaries Kabelmetal, Hanover, had been affected by the change in the copper market.

Profitability varied considerably from one subsidiary to another within the group owing to increased costs in practically all areas. Some subsidiaries too had been working at low capacity utilisation part of the time.

The Board of Management recommended an unchanged dividend of 14 per cent.

Esso AG's earnings trend

HAMBURG, August 21.

ESSO Germany's net 1974 profit was DM314m. (DM265.5m.). Gross turnover totalled DM11bn. (DM4bn), including DM2.6bn. of mineral oil tax, the same, roughly as last year.

Volume sales reached 21.2m. tonnes (25.8m. tonnes), refinery throughput came to 17.7m. tonnes (20m. tonnes) and fixed asset investments were DM206m. (DM279m.).

Esso Germany's earnings in the first half of 1975 were totally unsatisfactory but the company hopes for an improvement in the second half.

Chairman Wolfgang Oehme added that he expects heavy heating oil prices to stabilise, light oil demand to rise in the winter and petrol selling prices possibly to be raised again.

If international oil prices also stabilise Esso will again make profits on its mineral oil business near the end of 1975.

Esso said last January that its 1974 net profit was almost completely due to earnings from its subsidiaries and inventory profits. It faced apparently an average loss of DM20 per tonne on its oil stocks.

Herr Oehme said that mineral oil demand should fall 3 per cent. this year from the estimated 1974 West German consumption of 127m. tonnes as the economic upswing will not be noticeable in 1975.

In the longer term mineral oil demand should rise at an annual rate of 2 per cent. and energy needs by 3 per cent.

The company is a wholly-owned subsidiary of Exxon Corporation.

Reuter

Embarrassing upturn for VW

BY JONATHAN CARR

BONN, August 21.

CAUGHT BETWEEN a surge in demand for its vehicles and unexpectedly swift progress in its plan to cut back its labour force, Volkswagen to-day announced it will introduce overtime for some 13,000 workers at the end of August. Those affected are about 10,000 at the VW headquarters in Wolfsburg and another 3,000 at the North Sea coast plant in Emden.

The news has a curious ring—coming as it does after many months during which the company repeatedly had to introduce short time work to try to match production to dwindling sales, finally announcing in April plans for a major reduction in the labour force.

It is partly because of this planned cutback that the present need for overtime has arisen. Under the plans, announced by VW's new executive Chairman Toni Schmuecker, the labour force was to be reduced by some 25,000 by the end of next year. Of this total, 5,900 were to leave the Wolfsburg works and 1,500 the Emden plant.

It now transpires that this process is going ahead faster than expected, with employees making speedy use of the company's "golden handshake" proposals. The upshot has been an unexpected setback to production.

This has combined with a sharp rise in sales. Several factors contribute here, among them the strength of the dollar and the relative fallback in the Deutsche Mark making the export business easier, as well as the buoyancy of the home market and a particular success for VW's new models.

Registration figures for new cars in West Germany in the first half of this year show VW easily in the lead with 261,487 against Opel's 191,544. To the VW total, the "Golf" model alone contributed nearly 96,000 and the "Passat" almost 67,000. By contrast, the "Beetle," which led the VW performance in the first half of last year has dropped back in 1975 to less than 30,000.

The results are clearly encouraging—but the company makes it plain that none of this alters its plans for rationalisation. The executive Board remains unconvinced that current developments are evidence of a fundamental and long-lasting change in buying habits.

Successful Oetker strategy

BY JONATHAN CARR

BONN, August 21.

THE OETKER Group, one of the largest and most broadly based private-owned enterprises in West Germany, increased turnover in 1974 by 6.7 per cent. to DM3.4bn. As usual, no profit figure is given.

The group comprises 147 companies, many of which are leaders in their fields. Key divisions include foodstuffs, beer, shipping—as well as banking and insurance. Oetker says that its policy of risk-spreading through diversification was "impressively confirmed" last year—producing what it describes as an "altogether respectable" result.

However, there were clear difficulties—with the rate of turnover increase substantially below the impressive result for 1973. Sales then were up by no less than 24.4 per cent. to a total of DM3.2bn.

Oetker believes that 1975 profits will reach the unspecified figure for 1974 and announces that investments will be at a record level. Here too the total planned figure is not revealed, although the group says that between DM130m. and DM140m. will go to the shipping sector alone. This compares with total group investments last year of DM165m.

$30m. for Statsfoeretag

BY WILLIAM DULLFORCE

STOCKHOLM, August 21.

STATSFOERETAG, the Swedish State industrial holding company, is making a $30m., five-year note issue on the Eurobond market at an indicated coupon of 9¼ per cent. The issue is being managed by Merrill Lynch with the State-owned PK-Bank as Swedish manager and Svenska Handelsbanken as co-manager.

The loan is intended to help finance various projects being undertaken by the 30 companies sorting under Statsfoeretag, which plans investments totalling Kr.1.7bn. (£200m.) this year. The holding company raised Frs.40m. on the Swiss market earlier this year.

The $200m. Euromarket loan for the Bank of Greece has now been signed. Credit Lyonnais was lead manager of the five-year loan which carries a spread of 1¼ per cent. A $20m. loan on the same terms has been arranged simultaneously with National Grindlays.

The Japanese company Marubeni Maritime has arranged a $12m. loan on the Euromarket. The five-year loan is guaranteed by Yasuda Trust and Banking and was arranged by Loeb Rhoades and the Belgian Banque Européenne de Credit.

Firestone liquidates Swiss bank

By John Wicks

ZURICH, August 21.

BANK FIRE STONE, of Zurich, has been voluntarily liquidated at the wish of its U.S. parent company, Firestone Tire and Rubber, of Akron. The Zurich subsidiary was set up in 1969 and became a bank in 1971. At the end of last October, total assets of the bank, whose share capital was Sw.Frs. 30m., were Sw.Frs.147m.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

CONVERTIBLES	Bid	Offer
Amax 8½pc 1986	99	100
Ashland 8pc 1987	89½	90½
Austraswiss 8pc 1987	95½	96½
BFCE 8pc 1989	98	99
Borregaard 8½pc 1989	93	94
Carrier 8pc 1987	88	89
Conoco 8pc 1988	96	97
Consd. Foods 7¾pc 1991	84	85
Cutler Hammer 8pc 1987	90½	91½
EIB 8½pc 1985	100½	101½
Esso 8pc 1986 Nov.	98	99
General Cable 8½pc 1987	88	89
General Motors 8½pc 1986	102	103
GTE 8½pc 1986	97	98
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7½pc 1988	86	87
Quebec Hydro 8½pc 1989	95½	96½
Queensland 8½pc 1987	86	87
Scanraff 8½pc 1988	96	97
Shell 8pc 1986	97	98
Stand. Oil (Inc.) 8½pc 1988	99	100
Tenneco 7½pc 1987	86	87
Transocean 8pc 1986	87	88
TRW 8½pc 1986	96½	97½
Utah 8pc 1987	89½	90½
Volvo 8½pc 1985	99½	100½

NOTES	Bid	Offer
Air France 9½pc 1982	101	102
Aust. Ind. Dev. 10½pc 1981	101½	102½
Barclays 7½pc 1976	96½	97½
Cie Nat. du Rhone 10pc '82	102	103
Du Pont 7½pc 1978	100	101
Esso 7½pc 1978	99	100
General Motors 8½pc 1976	100½	101½
Marubeni 9½pc 1982	99½	100½
Nippon Fudosan 10½pc 1981	101½	102½
Skand. Enskilda 10½pc 1981	102½	103½
Tenneco 7½pc 1979	97½	98½
Tokyo Curacao 10½pc 1981	101½	102½

Source: White Weld Securities, London.

STRAIGHTS	Bid	Offer
American Express 4¼pc '87	79	81
Ashland 5pc 1988	74	76
Beatrice Foods 4½pc 1992	88½	90½
Beatrice Foods 4⅜pc 1992	88	90
Borden 5pc 1992	85	87
Broadway Hale 4½pc 1987	72	74
Canon Camera 7½pc 1989	84	86
Carnation 4pc 1987	80	82
Chevron 5pc 1988	92	94
Dart 4½pc 1987	79	81
Eastman Kodak 4½pc 1988	108	110
Economic L. bs. 4½pc 1987	74	76
Eutal 7½pc 1989	86	88
Ford 5pc 1988	84	86
Ford 5pc 1988	71	73
Fuji 6½pc 1985	100	
General Electric 4¼pc 1987	81	83
Gillette 4¾pc 1987	70	72
Gould 5pc 1987	75	77
Halliburton 4½pc 1987	120	122
Harris 5pc 1992	64	66
Hitachi 6pc 1984	97	100
Honeywell 6pc 1986	72	74
ITT 4½pc 1987	68	69
Komatsu 7½pc 1990	104½	106
J. Ray McDermott 4¾pc '87	132	134
Mitsui 8½pc 1989	135	
J. P. Morgan 4½pc 1987	101	103
Motorola 4½pc 1983	105	
Owens Illinois 4½pc 1987	86	88
J. C. Penney 4½pc 1987	72	74
Pioneer 8½pc 1989	134	
Rand Selection 8½pc 1986	94	99
Rank 4½pc 1983	40	42
Revlon 4½pc 1987	92	94
Sperry Rand 4½pc 1987	87	89
Squibb 4½pc 1987	75	77
Toshiba 6½pc 1990	101½	103
Union Carbide 4½pc 1982	104	106
Warner Lambert 4½pc 1987	86	88
Warner Lambert 4½pc 1988	74	76
Xerox 5pc 1988	70	72

Source: Kidder, Peabody Securities.

Approval for Irano-Arab bank

By Robert Graham

TEHRAN, August 21.

APPROVAL has been given for the establishment of the first Irano-Arab commercial bank here. The bank will have a $15m. capital, subscribed 65/35 by Iranian and Arab interests respectively.

The bulk of the Arab capital represents interests in the Gulf States, and the main purpose of the venture is to promote trade and foster links with Arab capital markets, especially in the Gulf.

One of the leading Arab shareholders will be the Bank of Credit and Commerce International (30 per cent. owned by the Bank of America which also has a representative office here). The Central Bank has ratified the new bank's constitution but it will not be formally constituted until 80 per cent. of the paid up capital has been deposited with the Central Bank. The remaining 20 per cent. will be deposited with the Central Bank by the Bank Melli which is to underwrite the shares.

Currently there are 23 commercial banks operating in Iran and the Central Bank has carefully scrutinised all applications. Banking sources believe that it is most unlikely that many more banks will be allowed to be established in the near future, the emphasis being on strengthening the existing banking system. One other bank has just been formed, the International Bank of Iran—a joint venture between Chase and the Industrial Credit Bank of Iran.

Apart from the new Irano-Arab Bank, one specialised Irano-Egyptian bank has also been approved. This bank, shortly to be established with a $20m. capital, will finance joint Irano-Egyptian projects such as urban reconstruction along the Suez Canal. The capital will be subscribed 50/50 with Iran represented by Bank Melli and the Industrial and Mining Development Bank.

GOBTP plans Frs.500m. loan

PARIS, August 21.

THE CONSTRUCTION and Public Works Financing Consortium (GOBTP) said it plans to raise Frs.500m. or more through a domestic bond issue, possibly in early September.

Advancement of the loan date, normally scheduled for later this autumn, reflects Government measures already taken or expected shortly to support the building industry, it said.

The funds will permit local authorities to go ahead with construction projects, both in the housing and civil engineering sectors, for which plans are ready, GOBTP said.

Easier housing credit may figure among the list of measures the Government is preparing to support France's economy, informed sources noted.

Reuter

FINANCIAL TIMES REPORT
Friday August 22 1975

SEA FREIGHT

The shipping industry is among the worst sufferers from the world trade recession. Unhappily, even on the most cheerful estimates the tonnage surplus is likely to persist for some time.

More ships than cargoes

THE ONLY chink of light in the *gloomy world shipping outlook* in recent months has been the indication that the U.S. economy *may have touched bottom, but* the depth of depression in most industrialised countries means *that recovery for the industry* will inevitably be slow.

In the tanker market, which *inevitably will affect a large* part of the shipping spectrum, there are now fears that over-*capacity will last until at least* the end of the decade and it is only now being realised how *damaging the mistakes of the* past few years have been. And with cancellation penalties now *nearly as high as the cost of* accepting a vessel, conversion has become a popular way out.

So any analysis of the future dry cargo situation must take the tanker tonnage surplus *firmly into account. A recent* American report estimates that if all tankers on order at the start of the year were cancelled, it would still be 1985 before the amount of available tonnage equalled the projected demand figure of 245m. tons.

So with new tankers being laid up immediately they are completed and the transfer of a large part of the combined carrier tonnage to the dry bulk trades, the dry cargo market has also been severely punished by a strong downturn in world trade. It now seems that a large number of bulk carriers will be laid up in coming months.

A great deal depends upon the final outcome of harvests in North America, Europe and the Soviet Union, which will determine the level of grain shipments. The recent U.S. decision temporarily to halt further sales to the Soviet Union because of progressively declining estimates of the size of its harvest has been yet another blow to the market, which has now become desperately competitive.

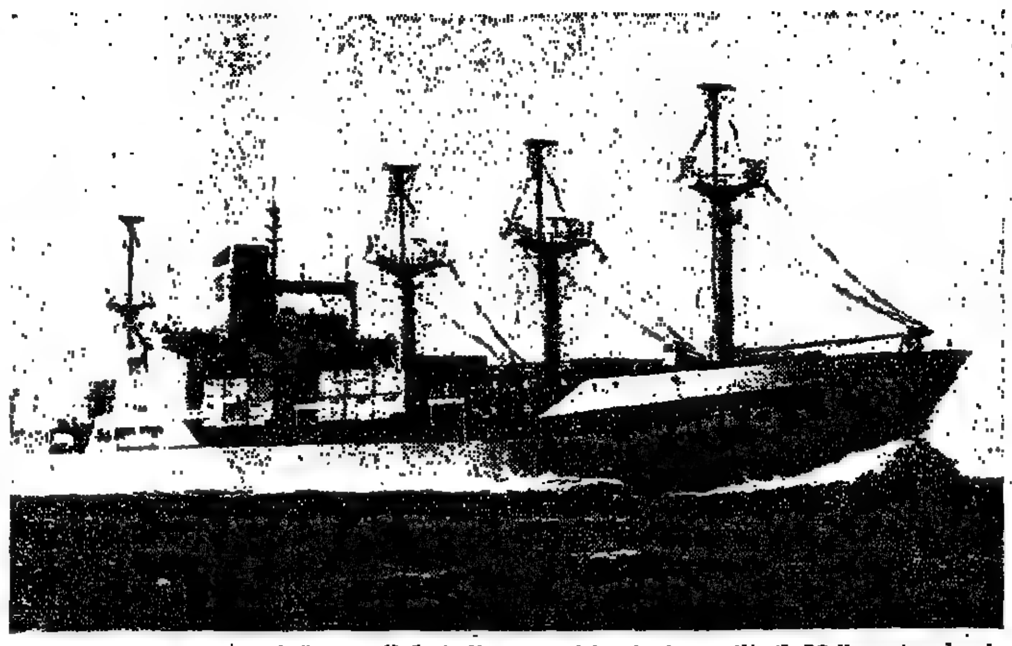
Oil carriers which have adopted a "clean for grain" policy have provided the dry cargo sector with excess freight space, with a consequent fall in *overall charter rates* and the end result that the conventional grain carriers have been *squeezed mercilessly. Often* they have been faced with the option of trading at a loss or not *operating at all*. As in other transport industries, this has inevitably caused a shake-out of *older vessels and a reappraisal* of tonnage on order, both in terms of cost and anticipated *use. It appears that having* learnt the lesson on the past 18 months, the flexibility of multi-purpose vessels has taken on a *new appeal*

It is estimated that by the end of April laid up dry cargo *tonnage had risen to 2.9m. tons* deadweight, a figure five times greater than that at the start of *the year and it is clear that* large sized vessels have been particularly badly hit. As a result *there has been a significant* increase in the number of contract bookings with charters *that make the best of bargain* prices to cover their long-term commitments.

Dampened

The sense of anticipation which built up in shipping circles in recent years over the opening of the Suez Canal has been considerably dampened by the conditions under which the opening finally took place, particularly in relation to crude oil shipments. Traffic through the *canal is now running at about 25* ships a day compared to the hoped for total of 1,000 passages *by the end of July, although this* is expected to increase steadily in future.

*The total number has com-*prised about 80 per cent. dry cargo vessels but the Egyptian *authorities expect that loaded* tankers will soon be responsible for 25-30 per cent. of income, ballasting *cargo some 35-40 per* cent. and general cargo tonnage about 35 per cent. With daily *convoys now running north and* south on alternate days, it is intended that daily convoys from *both ends will begin soon, pass-*ing each other in the Bitter Lakes.



Artist's impression of Cammell Laird's new ship design "Staff 20" a standard fast freighter of 20,000 tonnes d.w.

The use of the waterway is also likely to be considerably boosted if, as expected, sur-*charges for cargo insurance are* reduced. This would be particularly welcomed in view of the *damage which has been caused* recently to vessels on the Cape route and the obvious time saving. *However, this will inevit-*ably increase competition for cargoes and in the longer term *is likely to create the need for* new classes of vessels as maximum size ships built before the *closure are now too old for prac-*tical use.

The freight market has also *been cautious about the opening* of the Canal, but there has been gathering confidence, despite the *uncertain political situation* in the area. It is notable that Indian shipping companies have *reacted positively to the event*, which has been seen as a boost for Indian exports. It is esti-*mated that sailing time to the* U.K. would be cut by about 30 per cent., to Black Sea ports by *80 per cent. and to North* America by 15 per cent. The bunker costs are also substan-*tially reduced. Overall, the ad-*vantages for world shipping are not immediately apparent, with *Far East containerships too* large for the Canal, but in the longer term it is certain to *adapt to the opportunities.*

On the other hand, it is likely to affect trade patterns, as In-*dian authorities have noted.* That country's export trade is now faced with increased com-*petition from the industrialised* European countries, particularly in the Gulf. Indeed the whole *question of trade with the Gulf* States is uppermost in the minds of European exporters.

The volume of goods *now* being exported to the Middle East and the considerable transport problems being experienced there have led to the introduction of scheduled Ro-Ro services to the Eastern Mediterranean, particularly suitable for the system due to the absence of tidal problems. Although this is fundamentally an inefficient operation due to waste of space, it is likely to remain in favour until more sophisticated transport systems are established in the countries concerned.

Bargains

In line with the development of the oil producing countries of the Middle East, which have so far concerned themselves mainly with building the infrastructure of their economies, their shipping fleets will certainly begin to expand soon, although this will certainly be concentrated in the tankers sector at first. Although they have in the past not been prominent in the international field, they do not lack experience and they have the resources to buy fleets and expertise at a time when they can be assured of bargain prices. At present, however, they have concentrated their activities on developing advanced harbours and accompanying equipment.

However, the salient indicator *for the future of world shipping* remains in shipbuilding, which is believed to have suffered the worst *slump since the 1930s,* moving *rapidly from a period of* intense activity *to one of pro-found depression.* Perhaps the starkest example is in Japan, where massive facilities are being used to build small bulkers just to remain active. That aside, financing of building has come near to crisis point, with banks who have burned their fingers badly in the recent collapse now very unwilling to become so deeply involved again.

But this has not meant that ship prices have remained static. On the contrary, certain classes have risen in value to the extent that they have been sold at fourfold the price contracted before delivery. Financiers do not believe that the dry cargo *market is likely to recover more* rapidly than any other sector and cite a number of other influences which they believe will diminish demand for dry cargo carriage, among them the further development of containerization and the further nationalisation of fleets. They also point to the fact that combination carriers account for some 25 per cent. of the tanker fleet, which they do not believe will assist the dry cargo market equilibrium.

Perhaps the clearest picture emerges when looking at the order figures for the three months up till the end of July, which show that out of a total of 183 orders for all classes, 83 are for bulk carriers over 20,000 tons deadweight, 76 are *for general dry cargo vessels* less than 20,000 tons, six for tankers over 100,000 tons and 19 for other tankers. Cancellations during the period include 17 tankers of 150,000 tons and above and 20 others.

Lorne Barling

Ports drive for efficiency

THE MAIN burst of investment to modernise Britain's port system has passed. In real terms capital spending is still declining from the peak hit in 1965, and money is being increasingly concentrated on projects related to exploitation of North Sea oil.

But while the volume of new investment needed for dry cargo handling may have eased, the drive is still on to improve efficiency — and competition among the ports for future container traffic is fierce.

The transformation of freight handling facilities in Britain's ports over the past decade can be appreciated when it is realised that some 22 deep-sea container berths have been built, 50 short-sea container berths, and 76 roll-on/roll-off berths. Probably more dramatic, and illustrating the productivity gains of new forms of cargo handling, is the drop in the labour force. Over the 10 years the number of registered dock workers was nearly halved to 34,600 and the total workers employed by port authorities fell from an estimated 64,000 to 38,000.

Forecasts

The National Ports Council, whose task it is to formulate and keep under review a national plan for the development of harbours in Britain, has produced detailed forecasts of tonnages of cargo traffic up to 1980.

More significant, a second study—as yet unpublished—has just been completed which estimates the total amount of general cargo likely to be moving to and from this country up to that date, pinpointing the mode of transport and route and comparing this with an assessment of the capacity of existing and approved berths.

The calculations show that the total unit load capacity at British ports amounts to 43.8m. tonnes compared with a throughput at present of more than 30m. tonnes. The facilities comprise 12.4m. tonnes at deep-sea container berths, 11.9m. tonnes at short-sea container berths, and 19.5m. tonnes at short-sea roll-on/roll-off berths.

In each category the capacities are in excess of the estimated demand up to 1980. The National Ports Council maintains that in terms of total national capacity no shortage of facilities is expected and any shortfall in short-sea facilities in a particular region could be satisfied relatively easily.

Lavish

But it is important not to over-simplify the issues which arise, says Mr. Philip Chappell, chairman of the NPC. "In many countries, both in developed industrialised ones and sometimes even in less developed areas, the lavish provision of facilities for container and unit load traffic seems to be a matter of national pride. The Council would claim some proportion of the credit for the fact that such facilities in the U.K., despite some excess of capacity, have a better utilisation than in most other countries."

The really essential point is the efficient service of the nation's trade, the demands of which do change, Mr. Chappell maintains. It was against this factor as well as total national capacity that the Council had viewed the application of the British Transport Docks Board to construct a new deep-sea berth at Southampton to cater for containerisation of the South African trade scheduled for 1977.

"The Conference Lines had expressed a clear preference for Southampton and BTDB had successfully negotiated a situation where the Lines were willing to support this preference with financial guarantees. Accordingly, although the development represented an addition to the total deep-sea container capacity recorded in the 1980 study, the Council, after careful analysis, including discussions with the shipowners concerned as well as the ports, had in the event no hesitation in supporting the Southampton proposal."

Mr. Chappell stresses that it is important not to use glib phrases about national strategies unless there is a background of detailed analysis, of traffic, ship design, port facilities and manpower against which to make decisions.

"While it seems unlikely that *there will be any immediate* requirement for further berths if the danger of over-provision is to be avoided, I hope that this Southampton example illustrates that long-term planning for ports is certainly not an easy science, but, rather, a difficult art and it requires the closest co-operation not only from port authorities, but also from shipowners and shippers and, not least, industrialists."

Winning the South Africa trade was a significant victory for Southampton which has achieved sturdy growth as a container port. So far Southampton has shared most of present South African trade in conventional cargo vessels on a roughly 50-50 basis, with Liverpool taking a minor part. The trade in terms of value of cargo is worth around £1bn. a year.

Terminals

When the new containerised service is fully operational it will take to Southampton an extra annual throughput of about 100,000 container units a year compared with the 235,000 units dealt with last year by the port's deep-sea container terminals.

The project to handle the additional trade involves the extension of the existing container quays by 950 feet, surfacing nearly 26 acres of further back-up land adjacent to the terminal used by Trio Lines' Far East container service, and extending the deep water access for the 50,000 ton gross ships proposed for the service.

Potential

This phase of the port's development will bring the total length of the new deep water container quays to a mile, and the associated back-up to 118 acres, excluding 24 acres leased to Freightliners for the Marine Freightliner Terminal. Potential remains for at least a further 4,000 feet of deep water quays and about 160 acres of back-up.

The PLA has not been laggardly in seeking its share of container trade, having invested more than £30m. in Tilbury over recent years to make it one of the principal cargo centres of Europe.

But the major uncertainty which hangs over the port is the future of plans for a massive new seaport at Maplin. The Government has already cancelled the project for the airport and there must be grave doubts whether the PLA will get the go-ahead for the major development it seeks.

Whatever the verdict, the very earliest the seaport might be envisaged is 1982 which means that additional facilities must be provided at Tilbury in the short term. The growth of container traffic at Tilbury has been such that the docks will be operating at full capacity within the next two to three years.

PLA is confident that land could be reclaimed at Tilbury Fort and elsewhere on the riverside, for example, to provide new berths by 1978. Having lost the South Africa container trade, the port is anxious to win *the New Zealand trade which is* scheduled for containerisation at roughly the same time.

The fastest growing sector of Britain's non-fuel trade has been with the European Economic Community rising from 14.5m. tonnes in 1965 (16½ per cent. of the total) to 27m. tonnes in 1973 (24½ per cent. of the total).

Equipped

Cancellation of the Channel Tunnel project and Britain's continued membership of the EEC puts the onus on East and South coast ports to ensure they are fully equipped to handle future growth. The National Ports Council does not anticipate any immediate shortages in capacity and points out that it will be relatively easy and quick to expand capacity in line with the actual growth in traffic.

Indeed, though British ports in the past have come in for criticism for lack of action, management is improving and there is certainly no lack of enthusiasm to initiate projects to pull in more trade.

Arthur Smith

Containers still the big news

THE EXTREMELY rapid—indeed over-rapid—expansion of the container industry in the late 'sixties and early 'seventies, left a considerable amount of over-capacity, a situation which has not been eased by the marked slowdown in world trade over the past couple of years. Consolidation has thus been the keyword in recent years as most of the major developed nations found that the container ports which they had built in the first flush of the enthusiasm were sufficient to meet projected demand for a number of years ahead.

However, there are now signs that another step forward in the development of container trade could be in the offing as the prospect of a trade revival appears on the horizon and at least one of the world's container majors, the OCL consortium, is now planning a major expansion programme geared towards the completion of its containerisation programme in the Eastern hemisphere. In addition, the major growth prospect for the more distant future is the bringing of the developing nations into the containerisation network.

Yet another factor which could boost demand for container services is the rapid inflation in labour and fuel costs which has served to emphasise the importance of more efficient handling and transportation of freight, which is what containerisation is all about.

Whether the long-awaited arrival of an upturn in world trade comes about depends entirely on the reflationary action taken by the world's leading developed nations. One company which seems to be backing some sort of revival is Overseas Containers, the world's second largest container shipping line. OCL is set to embark on a major capital expansion programme — involving the expenditure of some £260m. between now and 1978 which will virtually complete the containerisation of the major sea trade routes in the Eastern hemisphere.

Act of faith

Half the money for the expansion programme is to come from the four partners in the consortium — Ocean Shipping, P & O, Furness Withy and British and Commonwealth — with the remainder coming from bank loans and German shipping credits. OCL's action represents something of an act of faith, based on a belief that trade will turn sharply upward by the end of the decade.

Four new ships are being built for the consortium in Germany, which will bring the group's total to 18 by 1977, making it the largest of its kind on the Eastern routes.

The new vessels will be used to open routes to South Africa and New Zealand, operating to Cape Town and Durban and Auckland and Wellington, with a possible third route opening in the near future between a number of ports in the Far East and Australia.

One of the major uncertainties for OCL attaches to the reopening of the Suez Canal, but the company's management reckons that it will take a long time before the Canal is fully operational. In addition, although OCL's operation enjoys dominant status on most of its current routes there is the prospect of competition not only from indigenous enterprises in South Africa, New Zealand and Australia but also from the Japanese.

Threat

But perhaps the most serious threat of all comes from the Russians, who with their land bridge and their merchant marine are already threatening to cut rates and force British competitors into a loss making position.

Quite apart from the question of estimating future demand for container services, There are many problems of technical projection still to be ironed out. Operators on the other side of the Atlantic have been moving towards higher, larger capacity containers, but in Britain uncertainty over the issue of truck dimensions, particularly within the EEC context, still leaves a climate of uncertainty which remains to be resolved.

For the longer term future, the developing nations offer great growth prospects. The push for containerisation among developing nations is new and broad in its scope.

Until around 1971, when the "first flush" of Western containerisation ended, the container business was considered to be almost overwhelmingly a matter of dealing with the world's leading industrialised nations. To-day, new container ports tend to spring up as soon as a nation feels that it has the *right goods to trade and ship.* Emerging nations have for some time been seeking a "share of the action" in the containerisation business. Not only are they constructing new ports and renovating old ones; some, such as Singapore and Malaysia, are forming their own container companies, while India has purchased a fleet of containerised vessels for its national Shipping Corporation.

This trend has been most prevalent in South East Asia, where Singapore has long been one of the great shipping centres of the world, while Malaysia's efforts to attain self-sufficiency in the handling of its own tin, natural rubber, palm oil and other goods is now reaping its rewards.

Nevertheless, taking the world scene as a whole, the period of consolidation which is now coming to an end in the containerisation industry has enabled the whole business to be looked at rationally and has helped a more efficient pattern of movement to evolve. More than £500m. has been spent since the mid-sixties by British container companies alone, many of which, while bemoaning the overcapacity which has resulted from the down turn in world trade, have also welcomed the breathing space in the initial headlong rush to expand capacity.

The extensive advantages of the railways are testified to by the growth in the volume of business undertaken by Intercontainer—the consortium of national rail administrations which includes British Rail—whose business last year was around 5m. tonnes, representing a doubling of the 1971 figure. Nevertheless, rail still has a long way to go in order to catch up with the road industry.

Peter Foster

Bargain hunting checks slide: off 1.57

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 21.

SCATTERED BARGAIN hunting checked the recent slide on Wall Street to-day, but a larger than *expected jump in the Cost of Living* for Americans last month put a damper on Stock Market trading, and prices closed lower for the fourth consecutive session.

After rallying 4.77 to 798.03, the Dow Jones Industrial Average reacted to 791.69, for a net loss of 1.57. The NYSE All Common Index shed another 8 cents to $44.22, after regaining 16 cents to $44.46, while declines outpaced advances by 886 to 457. Trading volume decreased 2.02m. shares *to 16.61m.*

The Labor Department reported that the U.S. Consumer Price Index rose 1.2 per cent. last month, or at an adjusted annual rate of 14.4 per cent.

White House Press Secretary. *Ronald Nessen, said July's CPI* rise was higher than anticipated and was another warning that vigilance was needed and excessive Federal spending must be *curbed if double digit inflation* was to be avoided.

After the close, the NYSE reported the short interest position down 2,583 shares to 22.8m. *in the month ended August 15.*

Hewlett-Packard tumbled $6¾ to $92½ on sharply lower third quarter profits.

Woods gave way $2½ to $18¼ *on the termination of merger* talks with Kerr-McGee, down $1¼ to $83½.

Heavily traded American Telephone finished unchanged at $46, *following its plan to sell 12m.* Common shares next October.

Eastman Kodak lost $2¾ to $97½.

But Moore McCormack were lifted $3½ to $39¾, Union Carbide were up $1 to $60¼, Digital Equipment $1¼ to $107¾, Motorola $1¼ *to $42¼, and Pittston $1¾ to $65½.*

Utah International recovered $2⅜ to $54⅞ on winning price increases for its coal in Japan, which will offset a proposed Australian tax.

Scott Foresman tacked on $¾ at $13½ on a "substantial gain" in *July quarter net.*

The American SE Market Value Index further declined 0.51 to 82.73, with declines outnumbering advances by 374 to 172.

Research Cottrell were down $¾ to $14⅞. Loews Theater Warrants $¼ to $5¼, U.S. Filter $¾ to $10⅞ and Consolidated Oil and Gas $⅛ to $6⅛.

Damson Oil edged up $⅛ to $4 after rporting a gas find in Woods County, Okla.

OTHER MARKETS

Canada down again

Canadian Stock Markets lost further ground in moderate trading yesterday.

The Industrial Share Index shed 0.29 to 183.89, Golds 1.06 to 357.49, Base Metals 0.12 to 76.60, Western Oils 0.03 to 183.72 and Banks 0.41 *to 269.21. But Utilities put on 0.14* to 127.05 and Papers firmed 0.06 to 109.40.

Great West Life fell $2 to $50½, Interpool $1¼ to $12½, Texasgulf $¼ to $30⅞ and Canadian Tire "A" $¾ to $48½.

Aquitaine of Canada gave way $¾ to $20 on lower first quarter earnings.

PARIS—*Some sectors fell back* sharply as Wednesday's downward trend continued. Wall Street's overnight fall and French industrial problems typified by the Press strike had more effect on the Bourse than the lowering of the Call Money rate to 7¼ per cent.

Banks, Oils, Chemicals, and Engineerings slipped back, while the most severely hit were Foods, Motors, Rubbers, Electricals and Stores.

Foreign stocks were lower, except for Golds which were quietly steady.

BRUSSELS—Market fell over a broad front following Wednesday's Belgian Bank Rate cut.

Among major Local issues only *Electrobel* and *Clabecq firmed,* while UCB, GB-Inno-BM, Asturienne, Union Miniere and Arbed were each lower.

Foreign stocks fell, with the exception of slightly firmer Golds.

AMSTERDAM—Generally weak, reflecting the sombre domestic news background.

Dutch Internationals were again hard hit, apart from resistant Philips. Unilever lost Fls.1.4 at 104.4, Royal Dutch Fls.1.6 at 94 and Akzo Fls.0.7 at 34.60.

Bankings were also down. Algemene Bank Nederland shed Fls.0.50 to 326.50 and Amsterdam Rotterdam Bank Fls.0.80 to 72.7.

Most Local Industrials were *substantially lower.*

SWITZERLAND — Irregular in *continued thin trading.*

Banks were little changed, Juvena moved up Frs.30 to 450 on short covering.

State Bonds eased in thin trading.

Dollar stocks drifted lower, led by *Blue Chips with A.T.T. and U.S.* Steel each notably weaker. Dutch Internationals lost ground, Germans eased.

GERMANY—Above the worst. *Leading Banks, Chemicals and* Electricals were little changed except for Dresdner Bank which shed DM3.70 to 235.

Stores firmed, led by Neckermann's DM3.50 rise to 104.

In Motors, VW climbed DM2.90 *to 112 on news that it will work* overtime, but BMW lost DM3.50 to 220.

GHH dipped DM1—it expected an unchanged dividend. Bayer eased DM0.1 to 115.9 on further short time. Schering dropped DM5.50 to 391.5.

Public Bonds were little changed but more heavily offered, with the Regulating Banks taking up DM13m. worth *of stock.*

MILAN—Lower in slow activity as a result of the market closing earlier than usual.

Sales especially hit Insurances, such as RAS and *Assicurazioni Generale.* But all sectors were caught in the downward trend.

HONG KONG—Lower in quiet trading.

Hong Kong Bank were down 30 cents to $HK14.60, Hong Kong Land 5 cents to $HK6.25, Hutchison 3 cents to $HK1.58, Jardine 10 cents to $HK21.20, Hong Kong Electric 2½ cents to $HK3.325, Hong Kong Telephone 20 cents to $HK16.00, Hong Kong and Kowloon Wharf 20 cents to $HK10.30, and Hong Kong Dock 10 cents to $HK5.35.

TOKYO—Prices fell further in light trading, although institu*tional support appeared later.*

Sony lost Y80 to Y3,130 and other leading Electrics also eased.

Housings and Pharmaceuticals met profit-taking, while Chemi*cals, continued to be sold in view* of the dispute over hexachromium pollution.

Motors and Accessories met selective buying on an anticipated recovery in business prospects. Shiseido rose Y60 to Y1,430.

Sekisui Prefab Homes gained Y30 to Y1,600 on rumours Foreign buying.

JOHANNESBURG—Gold shares were steady to firmer in a small volume.

Financial Minings were a few cents harder. Rand Selection gained 10 cents to R9.90.

Platinums were generally little changed.

Colliery shares declined up to 50 cents. Industrials were steady.

AUSTRALIA—Easier in subdued trading with buyers remaining on the sidelines in the wake *of* Tuesday's Budget.

Attention centred on Coals. Utah held steady at $A7.60, following negotiation of new coking coal price. But Thiess were 7 cents weaker at $A2.25.

A realisation that there could be some major changes in insurance premiums tax concessions jolted Insurance Companies. BHP shed 2 cents to $A7.10—its profitability will be affected by the levy on Liquid Petroleum Gases. While CASR, which was looking to coal for extra earnings, lost 5 cents to $A4.

Banks were generally weaker and *Properties* subdued, but Retailers held firm as did Motors and Electricals.

A move by some Queensland Trade Union Officials to block the mining and export of Uranium, jolted Pancontinental which came back 14 cents to $A5.70. Kathleen Investments lost 13 cents to 95 cents, MKU 5 cents to 75 cents and Queensland Mines 3 cents to 90 cents.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Industrials	Util.	Trading volume of 000's
Aug. 21	67.75	153.39	791.69	76.13	16,610
20	67.80	154.63	793.25	76.40	18,630
19	67.75	156.47	806.61	77.45	14,990
18	68.07	158.60	822.75	78.09	10,810
15	68.18	158.25	825.64	77.68	10,610
14	68.27	156.67	817.04	77.26	12,460
13	68.36	156.37	820.56	77.84	12,000
12	68.22	157.46	823.54	78.38	14,610
11	68.25	156.59	823.75	78.22	12,350
8	68.25	156.65	817.74	78.67	11,680
7	68.98	156.93	815.79	78.64	12,390
6	68.24	156.71	815.67	78.48	16,290
5	68.31	156.79	810.16	78.57	15,470
4	68.67	157.96	818.06	79.05	12,620
1	68.64	160.40	826.50	79.63	13,530
July 31	68.61	161.25	831.51	79.60	14,640
30	68.82	161.98	841.98	79.34	16,150
1975 High	68.92 (4/4)	174.12 (6/5)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (8/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 15	Aug. 8	Aug. 16 1974
4.67	4.75	6.15

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Aug21	Aug20	Aug19	Aug18	Aug15
51.24 (15/7)	37.06 (2/1)	44.22	44.30	45.25	45.94	46.02

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,770			

	Aug21	Aug20	Aug19	Aug18	Aug15
New Highs					
" Lows					

AMERICAN SE MARKET VALUE INDEX

Starting date Aug. 31, 1973.

1975 High	1975 Low	Aug21	Aug20	Aug19	Aug18	Aug15
96.80 (15/7)	62.20 (2/1)	82.73	83.24	84.86	85.85	86.16
Volume (000's)						

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 21	93.22	83.07
" 20	93.36	83.22
" 19	95.15	84.95
" 18	96.77	86.20
" 15	96.08	86.36
" 14	96.11	83.69
" 13	96.49	85.97
" 12	97.38	87.12
" 11	97.22	86.55
1975 High	107.40 (15/7)	96.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 60 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 20 1975	Aug. 13 1975	Aug. 22 1974
Ind. Ord. yield pc	4.07	3.95	4.87
Ind. Ord. p/e ratio	10.21	10.36	11.78
Long-term Gov. Bds. per cent.	8.61	8.36	8.76

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Amer Tel. Tel.	253,000	46	—
Sony	235,900	10⅛	—
Texaco	208,100	23¼	−⅛
Hewlett-Packard	195,500	92½	−6¾
CITT	174,000	30⅛	+⅛
Polaroid	167,100	32⅛	+⅛
Gen. Tel. Elec.	162,800	21⅛	−⅛
Fed. Nat. Mort.	145,500	13⅛	+⅛
Amer. Home Prods.	133,900	34⅛	+1
Eastman Kodak	125,600	97½	−2¾

TORONTO

INDUSTRIAL INDEX

Aug. 21	Aug. 20	1975 High	1975 Low
183.89	184.18	196.30 (15/7)	180.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

COMBINED INDEX

JOHANNESBURG

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 21	Aug. 14	Aug. 7
On Dividends	7.47	7.57	7.51
On Earnings	13.70	14.13	14.05

SYDNEY ALL ORD. INDEX

Aug. 21	Aug. 20	High 1975	Low 1975
358.89	361.00	383.56 (4/8)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Aug. 21	Aug. 20	High 1975	Low 1975
309.55	310.29	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX *

Aug. 21	Aug. 20	High 1975	Low 1975
295.04	298.21	341.97 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

Aug. 21	Aug. 20	High 1975	Low 1975
216.05	217.18	268.69 (11/3)	153.26 (8/1)

EUROPE

	Aug. 21	Previous	1975 High	1975 Low
Belg'm (a)	107.57	107.72	111.31 (15/5)	89.07 (2/1)
Denm'k (b)	92.44	93.00	93.30 (18/8)	73.06 (13/1)
France (c)	66.5	67.3	72.5 (25/4)	61.70 (2/1)
Germ'y (d)	589.5	594.0	735.1 (16/4)	573.5 (2/1)
Holland (e)	94.5	95.2	101.6	85.8

Sterling weaker

Sterling weakened in the foreign exchange *market yesterday*. In contrast to its recent rather firmer trend. A large commercial seller of the pound was reported from overseas, and sterling was *also* depressed by renewed doubts over the Government's anti-inflation policy, and publication of figures which showed that U.K. employment is at its worst level since the second world war. The dollar began very *firmly,* helped by the rising differential between U.S. and European interest rates, which was reinforced by further rises in U.S. Treasury bill yields, and a *cut of 1 per cent. in the Swedish* Bank Rate, following the recent lowering of interest rates in several other European countries. During the afternoon however the U.S. unit eased and closed at around its lowest levels, on the day, in many centres.

The pound opened at $2.1170-$2.1180, and fell to $2.1070-2.1080 before lunch, but as the dollar eased sterling improved to $2.1130-2.1140. Towards the close the rate fell again, and after intervention by the Bank of England, the pound closed at $2.1115-2.1125, a fall of 90 points from the previous closing *level.*

Sterling's trade-weighted average *depreciation* against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) widened to 27.8 per cent., *from the previous 27.5 per* cent., having stood at 27.7 per cent. at noon and 27.6 per cent. in early dealings. The dollar's trade-weighted average depreciation against 14 units *since the* Washington Agreement, as calcu*lated by Morgan Guaranty of New* York, on noon rates improved to 2.59 per cent., from the previous 2.63 per cent. Sterling's depreciation on a similar basis widened to 33.61 per cent. *from 33.21 per* cent.

Gold closed $¾ an ounce lower at $161¾-$162¼ in fairly quiet trading. The Krugerrand for domestic delivery ended at $169½-$171 (£80¼-£81), against the previous $170¼-$171¾ (£80½-£81).

EXCHANGE CROSS-RATES

Aug. 21	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.564-568	58.85-95	6.71-72	5.415-425	37.45-60	96.85-96.0
N. York	39.06-09	—	22.93-96	2.620-625	2.1107-1115	38.06-08	37.40-42
Paris	169.7-70.1	4.36-37	—	11.336-420	9.1975-.225	165.55-75	165.35-95
Brussels	14.85-95	38.26-31	8.76-79	—	80.63-95	14.49-58	14.25-33
London	5.40½-41½	2.1116-25	9.20-21	80.55-75	—	5.55-56	5.63½-64½
Am'erdam	102.45-60	2.6322 47	60.345 395	6.8305 65	5.5645 95	—	92.515-565
Zurich	104.19-31	2.6730 45	61.33-41	6.93-7.0	5.64-6465	101.65-79	—

U.S. $ in Montreal. U.S.$=103.62-64 Canadian cents.
Canadian $ in New York. $C1=96.43-45 U.S. cents. U.S. $ in Milan 667.70.
Sterling in Milan 1408.35.

EURO-CURRENCY INTEREST RATES*

Aug. 21 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	9¾-10	5⅞-6⅜	5¾-6¾	2¼-3¼	½-1	—
7 days notice	9¾-10	6-6⅜	6½-7½	2¼-3¼	1⅛-1⅝	1¼-1½
Month	10-10¼	6½-7	7⅞-8⅛	2¾-3	2½-2⅝	1¼-1½
Three month	10⅝-11	7⅛-7⅜	8⅞-9⅛	3⅞-4⅛	3½-3⅝	2½-2¾
Six months	11⅞-12⅛	8-8⅛	9⅛-9⅜	5-5¼	4½-4⅝	3⅞-4⅛
One year	12⅛-12¾	8⅛-8	9⅛-9⅜	5-6¼	5½-5⅝	4¾-5

Euro-French deposit rate short-term 6¾-7¾ per cent.; seven days' notice 6¾-7¾ per cent.; one-month 7-7¾ per cent.; three months 8-8½ per cent.; six months 9¼-9¾ per cent.; one year 10-10½ per cent.

Longer-term Eurodollar deposits: two years 8½-9 per cent.; three years 9¼-9¾ per cent.; four years 9¼-9¾ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6¼-6⅜ per cent.; three months 7⅛-7⅛ per cent.; six months 8¼-8 per cent.; one year 8¼-8⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days notice for guilders and Swiss francs.

GOLD MARKET

FOREIGN EXCHANGES

OTHER MARKETS

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—95⅛% (95¼%).

NEW YORK

CANADA

GERMANY ♦

Aug. 21	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	76.7	+0.2	—	—
Allianz Versich.	460	−9	17	1.9
B.M.W.	220	−3.5	14	[illegible]
BASF	158.8	−0.3	17	6.1
Bayer	115.9	−0.1	17	6.9
Bayer Hypo	309	−3	18	3.0
Bayer Vereinsbk.	351	−2.5	18	2.6
Commerzbank	205.8	−0.5	17	4.1
Conti. Gummi	76.5	−0.8	—	—
Daimler	308		16	2.4

AMSTERDAM

Aug. 21	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	100	−2	18	5.5
Akzo (Fl.20)	34.6	−0.7	20	11.4
Algem Bnk (Fl100)	326.5	−0.5	20	6.7
AMAS NV (Fl.10)	11.8		10	8.7
AMEV (Fl.20)	66	−0.5	50	10.6
AmroBank (Fl.20)	72.7	−0.8	20	5.5
VanBerkels (Fl.50)	115	−2	16	5.4
Bijenkorf (Fl.20)	85	−1	21	5.0
BokaWestm.Fl.10	110	−2	52	4.7
Buhrm-Tetterode	60.3	−1.5	26	7.4

AUSTRALIA

Aug. 21	Aust. $	+ or —
Acrow Australia	†0.60	
Adelaide Brig'ton Cem't 50c	†0.60	
Allied Mnfg. Trdg. Indus $1	†1.40	+0.05
Ampol Exploration	†2.65	
Ampol Petroleum	†0.41	
Assoc. Minerals	†2.50	
Assoc. Pulp Paper $1	†0.79	
Aust. Cons Industries	†1.18	−0.02
Aust. Foundation Invest	†0.72	

VIENNA

JOHANNESBURG

TOKYO ¶

PARIS

MILAN

STOCKHOLM

SWITZERLAND ♦

BRUSSELS

OSLO ♦

COPENHAGEN

SPAIN ♦

FARMING AND RAW MATERIALS

Union urges end of bull licensing

THE NATIONAL Farmers' Union has recommended that statutory bull licensing should end. But it has agreed to support any non-statutory schemes which might be introduced by breed societies or other competent organisations.

The union's decision, sent to the Ministry of Agriculture for consideration, follows six months of deliberation and consultation by an eight-man working party.

It said that the present licensing system did not provide any improvement in the national breeding herd, but merely provided a limited animal health safety net. The cost was high and rejection rates were low.

Doubts had been expressed in some quarters on whether veterinarians were the best judges of commercial breeding merits and on whether there could be conflicts between veterinary inspectors and long-standing clients who applied for licences.

In view of the high level of breeding by artificial insemination—60 per cent. of conceptions in the dairy herd and 40 per cent. in the beef herd—bull licensing would appear to have a less significant role.

Copper sheds earlier gains

By Our Commodities Editor

COPPER PRICES lost ground on the London Metal Exchange yesterday, shedding some of the increases caused by Zambian supply fears. There was substantial profit-taking selling when the market opened on a higher note, and by the close cash wirebars was £2.25 down.

Much of the heavy turnover yesterday was thought to be influenced by book-squaring in front of the long holiday week-end in London and New York, with the LME opening for only the morning trading session to-day.

The fall in the value of sterling helped to stabilise the market and it is believed that some buying may have resulted from renewed fears of a declaration of *force majeure* by Zambia.

The World Bureau of Metal Statistics reported, meanwhile, that U.K. consumption of copper in June was 50,216 tonnes up on May but below the June 1974 figure of 56,563 tonnes. In the first six months of 1975, British copper consumption, at 305,815 tonnes, was 9.7 per cent. below that of the first half of last year.

U.K. zinc consumption in June was 22,203 tonnes, nearly 10,000 tonnes lower than a year ago, and was 24.5 per cent. down in the first six months, at 138,641 tonnes. Lead consumption in the first half of 1975, at 143,813 tonnes, was 15 per cent. below the equivalent period of 1974.

First cut in bacon prices for over six months

SOME CUTS of bacon could be up to 5p a pound cheaper in the shops next week following sharp reductions in first hand prices on the London Provision Exchange announced yesterday. The £45 drop—the first price cut for over six months—takes Danish bacon down to £800 a ton while the cost of British, Irish and Ulster bacon slips to £795 a ton.

The reductions, which come at a time when demand is normally at its strongest, represent a severe blow to U.K. pig producers. Many of them claim to be in financial difficulties already despite recent record price levels.

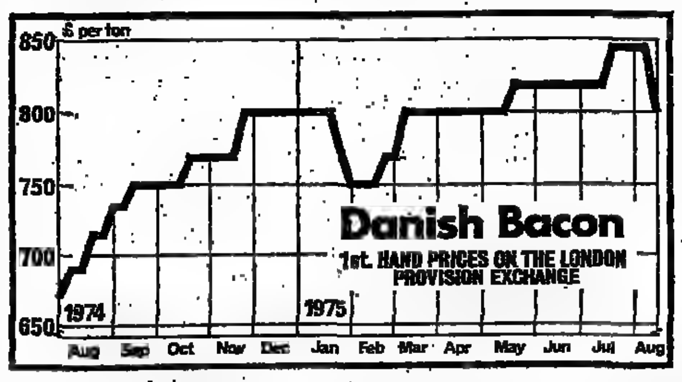
FMC, Britain's biggest curer, said yesterday that the contract price it paid to its producers would come down by £25 a ton, to about £609. This is only slightly higher than the level ruling at the beginning of the year and is £40 below the record level reached in mid-June. Only £16.80 of this week's decline is attributable to the fall in the bacon price, however. The rest reflects the poor level of demand for pig meat generally.

The average price reduction for all bacon, assuming that they are passed on to consumers in full, would be 2p a pound. But demand for gammon and fore-end cuts is reported to be firm, so that the reductions are likely to be concentrated on the middle, which could come down 4p to 5p a pound.

An FMC spokesman largely blamed disappointing offtake from the holiday trade for the price drop. The step was taken reluctantly because of its impact, not only on the British curing industry, but also on producer returns.

British curers were aggrieved at being forced to cut their prices by the Danes, who were still receiving £132 a ton in monetary and transitional compensatory amounts. "This gives them a big advantage over the British curers," the spokesman said.

Bacon demand has suffered, along with that for other meats, from the recent prolonged heat-wave. But cooler weather over the past few days, coupled with next week's price cuts, could lead to an increase in consumption. There is already evidence that demand for eggs, bacon's sister food, has benefited. A cut in egg prices had been widely predicted for next week, but a spokesman for the Goldenlay marketing consortium said yesterday that prices would be unchanged. He quoted the lower temperatures as a factor in the steadiness of the egg market.



Europe grain for USSR—report

WASHINGTON, August 21.

U.S. ASSISTANT Secretary of Agriculture, Mr. Richard Bell, has received reports that the Soviet Union has purchased an additional 1.5m. tonnes of grain through international trading companies.

Most of it is expected to be of West European origin and the rest from Argentina, reports Reuter.

Mr. Bell said that the latest sales boosted estimated global purchases for shipment to the Soviet Union so far to about 16.5m. tonnes.

He estimated that, if Soviet purchases ran to the 25m. tonnes limit, some of the remaining 8.5m. tonnes still to be secured would come from new crop southern hemisphere supplies next spring. He acknowledged, however, that a good part of any additional Soviet buying would probably be made from the U.S.

Agriculture Secretary, Mr. Earl Butz, said the embargo on further sales to the USSR would be maintained until the outcome of this year's corn (maize) crop was known with more certainty. But he indicated strong expectations that there would be some further sales.

Commenting on export prospects elsewhere, Mr. Bell said he was aware that international grain company representatives had been in Peking discussing possible sales of both U.S. and other origin grains to China.

But he added that U.S. exporters appear all reluctant to sell grain to China because of quality and contract disputes over previous sales. While not ruling out the possibility that some U.S. grain would be sold to China, Mr. Bell did not expect large amounts to be involved.

His comments came as market rumours began that one international grain company had sold about 3m. tonnes of wheat from an unspecified origin to China.

In Brussels, informed sources said they were unable to confirm the Washington report that the USSR had bought an additional 1.5m. tonnes of grains, mostly of European origin.

They estimated, however, that some 500,000 tonnes of European wheat, barley and oats, mostly of French origin, was still outstanding from export certificates already granted by the EEC Commission and said the USSR was a potential buyer.

It was noted that some of the 800,000 tonnes of West German feed wheat currently on tender could also go to Russia. First results of that tender are expected to-day.

These amounts do not include the possible sale of 1m. tonnes of wheat which is the subject of negotiations between Moscow and the French Intervention Board.

Our Commodities Staff writes: The International Wheat Council, in its latest market report out in London yesterday, lowers its forecast of world wheat production in 1975 to a range of 355m. to 365m. tonnes.

This compares with its previous forecast at the end of July of 355m.-370m. and the 1974 output of 348m. tonnes. Very hot, dry weather in many of the major grain-growing areas of the northen hemisphere indicates that some crops will be lower than expected a month ago, the report states, although it is difficult to assess fully the effect on harvests.

Sharp fall in sugar market

By John Edwards, Commodities Editor

WORLD SUGAR values fell sharply on the London terminal market yesterday. The London daily price for raw sugar was cut by £10, to £215 a ton, in the morning. Futures moved even lower, with losses of about £15 depressing the October position to £204.75 a ton at the close and December to £201.

In the morning session, some positions fell the permissible limit down, but prices rallied slightly in later trading. The fall was attributed to the lower New York market overnight and lack of any physical transactions to hold prices up.

Important background influences were rumours of a U.S. refiner reselling some previous purchases and suggestions that Brazil might enter the world market as a seller again soon.

These offset reports of very poor results from recent sugar beet tests in Belgium and France. These, according to one dealer, would mean "disastrous" returns in output if the crop did not improve. However, recent rains have raised hopes of an improvement in the European beet crop, badly hit by drought.

Milk fever cure claimed

By Our Commodities Staff

A NEW milk fever cure, which could save farmers more than £5m. a year, has been developed at Leeds University.

Dr. Duncan Pickard, who did the work, said: "Milk fever is *most serious* in high output dairy herds and seems to be worse than usual this summer because of the grass shortage."

In 1972, more than 20,000 cows were slaughtered because of the disease.

The decline in sales of milk off farms continued last month. Total sales amounted to 209.14m. gallons, against 231.81m. in June and 216.64m. in July last year. Liquid milk sales continued ahead of last year's level, at 130.16m. gallons, against 127.41m. in July, 1974.

BAUXITE MINING

By Our Own Correspondent

MONTEGO BAY, August 21.

Revere Jamaica Alumina has announced that it is temporarily suspending operation of its bauxite mining and alumina production facilities in Jamaica.

An announcement by the company says that the suspension is the result of curtailments in primary aluminium production in the U.S.

U.K. CEREALS

Early harvest but many problems

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

HAD IT NOT been for the rain last week-end, my harvest would have been over by last Monday. It has been the fastest and earliest harvest I have known, and it took me completely by surprise.

At the end of July, I looked round my crops with my foreman, decided that nothing would be fit to combine until August 14 and planned accordingly. The staff took their August holiday early on the first Monday, instead of the last (when we are usually working) and I looked forward to a bit of fishing.

By August 4, however, it was obvious that some of the grain had been killed off by the great heat of the previous week-end and would be better harvested. The decision to do this was hastened by the pigman, who informed me that the barley in the silos would only last for one more day.

So to feed the pigs and try the machinery out, we cut a small barley field on the Tuesday afternoon—and we have not stopped since then, except for rain or for breakages.

Deciding how and when to start, is always difficult. It was especially so this year as the barley crops contained a good deal of second growth which was still green when much of the grain was dead ripe and almost ready to drop off.

Heating risk

This was because the break in the drought at the beginning of July caused quite a lot of the barley, which was actually dying *off then, to start growing again.* Last year the drought broke about two weeks earlier and saved the situation, but this time the rain was a nuisance.

None of the samples were clear of these green corns and it was a matter of fine judgment as to whether to carry on harvesting and risk the heating that some of these might cause or wait another day or so. I have found that it is generally a waste of time to wait; it is best to estimate when the bulk of a sample is dead ripe and then cut on regardless of the rest.

Most of my grain is dried and stored in bulk on ventilated floors without heat, but I do have one hot air drier on which I cook the damper samples for the pigs. I think the bulk system is best as it seems to preserve germination for malting and, in the case of wheat for milling, the resulting sample is usually more acceptable. It's all too easy when drying with hot air to raise the temperature to get a faster throughput of dried corn, but this does harm the sample.

In a wet harvest, too, it seems to be almost impossible to get the damp grain through the hot air drier quickly enough. The combines never seem to break down and the chap working the drier often becomes neurotic. This time the bulk drier have been all too easy and I have a strong conviction that we may be going to suffer for it later.

This is because the grain has been coming in from the field at very high temperatures indeed. With a shade temperature of over 90, as we had for several days, grain harvested in the middle of the day in the sun must have been well over 100.

Although the grain was very dry—some as low as 11 per cent. moisture—such heat can generate changes in the dust, green corns and other impurities which could start a type of fermentation and so damage the crop. I have over 300 tons each of wheat and barley *in such stores and would be very* worried if I could not blow air through them. On the first cool morning I started up the fans and was very relieved to be able to cool them down a bit, but they are still at risk. If I hadn't had these facilities, I am sure the grain would have been badly damaged.

The warning sign is a smell, a penetrating, insidious acid tang, not easy to describe but very easily recognised. My technique during the danger period is to start the fans and then stand to windward of the store and sniff. Once you have smelt it, though, it's too late and the grain (wheat or barley) is fit only for animal feed at a considerable discount.

Straw gangs

This is the first year in which I have sold the straw in any quantity. The fact that the buyers paid a good price before the crop was combined has, as I thought, concentrated their minds on it in a way that I don't think later payment could have done.

There are five different gangs from distant parts of the South and West and my telephone is congested with messages from their bases. I am also frequently phoned by lorry drivers who have been given the haziest descriptions as to where they are to go.

One farmer's wife rang me up to tell me to threaten her husband's gang with the sack if they weren't back with a load by milking time. I relayed this message and the reply was the sort to be expected from hot, angry men toiling with some pretty ropey machinery.

By Wednesday evening, I had harvested 320 acres of barley and 160 acres of wheat and leaving 90 acres of barley to do. A matter of two day's work with two machines in this year's light crops—but only if the weather is kind and the machines hold together.

Never before have I been so far ahead at this date and it is also the first time that I have combined wheat earlier than August 24. The yields are well down on last year for barley. Wheat is not as good as it looked, but it's too soon to be exact.

Price of farm land still falling

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE PRICE of farm land is still falling, according to the Ministry of Agriculture's report of transactions for the quarter ending June, 1975.

Compared with the quarter ended last March, the average of all sales over ten acres fell from £484 per acre to £460. But compared with the average for the six months, ended September, 1974, the fall has been about £120 an acre.

It is emphasised that the number of transactions reported were less than the previous quarter's and the area on offer also declined. Total sales reported for the past six months, at 58,000 acres, are about half those of three years ago.

There is no doubt that the market is still weak and has only kept to its present levels because *of the restricted offerings.*

Land at these prices is still not a viable investment for farming at present interest rates and there is no doubt that some buyers are waiting for prices to fall still further.

The basis for this belief is that there are large acreages, bought at very high prices during the euphoria of two or three years ago. Creditors who provided the cash for these purchases are holding on and not forcing sales.

But this may not last much *longer in the present climate of* British farming, which is more depressed and disillusioned than it has been for many years.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lost ground on the London Metal Exchange but closed above the day's lowest. After opening at £646, reflecting the firmness of the U.S. market overnight, forward metal met with heavy profit-taking and book squaring in front of the long week-end with the London market open for morning only trading to-day. The price slipped to £638.5 before fresh speculative interest and short-covering were prompted which rallied it to £640 by the close of the afternoon Kerb. Turnover 38,825 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	616-.5	−5.5	619.5-20	−2.25
3 months	638.5-9	−5	641.5-2	−5
Settlem'nt	616.5	−5.5	—	......
Cathodes				
Cash	601-.5	−4.75	605-.5	−2.5
3 months	625.5-4	−5.75	628-.5	−1.75
Settlem'nt	601.5	−7	—	......
U.S. Smt.	—	......	*65-68.7	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £616.5, three months £639, 38.5, 39, 39.5, 39, 38.5. Cathodes: cash £602, 01, three months £625, 24. Kerbs: Bars: three months £638 to 40.5. Afternoon: Wirebars: cash £618, 18.5, three months £648 to 42.5, 42. Cathodes: cash £605, three months £628.5. Kerbs: Bars: cash £619.5, three months £642.5 to 40.

TIN—See-sawed before closing little changed on balance. The fresh decline in the Penang market over the week-end and the lower tone of copper prompted profit-taking which met with little fresh buying interest. Renewed demand was seen at around the £3,220 level, however, especially from one quarter, and the price rallied to around £3,240 by the close of the afternoon Kerb. The easier trend of sterling was also a firming influence. Turnover 1,600 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	3160-5	−24.5	3180-5	−1.5
3 months	3222-5	−21.5	3240-5	−.5
S'ment	3165	−25	—	......
Standard				
Cash	3160-5	−24.5	3180-5	−1.5
3 months	3222-5	−21.5	3240-5	−.5
S'ment	3165	−25	—	......
Straits E.	†$995	−5	—	......
New York	—	......	—	......

Morning: Standard: cash £3,165, three months £3,230, 25, 22. High Grade untraded. Kerbs: Standard: three months £3,225. Afternoon: Standard, three months £3,275 to 40. High Grade untraded. Kerbs: Standard: three months £3,225.

LEAD—Easier. Opening at £196, forward metal eased to £194.5 in line with the downturn in copper which prompted profit-taking. The price later rallied to £195.5. Turnover 6,875 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	186.5-.75	−1.75	186.5-7	−2.5
3 months	195-.25	−2.1	195.25-.5	−2.25
S'ment	186.75	−1.75	—	......
N.Y. Spot	—	......	*19-22½	......

Morning: cash £186, 86, 86, 86.5, three months £195 to 94.5, 95, 95.25, 95. Kerb: three months £195. Afternoon: three months £196, 95.5, 95, 95.5, 95.25. Kerb: three months £195.25, 95.

ZINC—Turned lower in line with the general trend, helped by profit-taking and book squaring. Forward metal traded down to £365.5 before ending at £367.5. Turnover 3,824 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	353-.5	−5	354-5	−3.75
3 months	366.5-7	−2.75	367.5-8	−3.25
S'ment	353.5	−5	—	......
Prm. West	—	......	*38½-9	......

Morning: cash £353.5, 53, three months £368 to 65 to 67. Kerb: cash £353.5, three months £366.5, 66, 66.5. Afternoon: three months £367.5, 67, 67.5. Kerb: three months £367.5, 67.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 1.55p an ounce higher for spot delivery in the London bullion market yesterday at 229.8p. U.S. cent equivalents of the fixing levels were: spot 454.9c (454.9c); three-month 466.3c (495.3c); six-month 505.2c (507.1c); and 12-month 531.0c (530.1c). The metal opened at 229½-230½p (455-458c), and with business rather quieter than of late, closed at the same level.

SILVER per troy oz.	Bullion fixing prices	+ or −	L.M.E. close	+ or −
Spot	229.8p	+1.55	231.3p	−0.05
3 months	236.9p	+1.75	238.5p	−0.05
6 months	244.7p	+1.8	—	......
7 months	—	......	248.5p	−0.5
12 months	260p	+1.8	—	......

LME—Turnover 99 (131) lots of 10,000 ozs. Morning: Cash 230.3; three months 235.5, 37, 37.4. Kerbs: Three months 238. Afternoon: Three months 237, 36.7, 37, 38.2. Kerbs: Three months 238, 37.8, 37.7, 37.6, 37.5, 37.4.

COCOA

After trading both sides of overnight levels, prices closed virtually unchanged on light turnover, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
No4 Contract			
September	605.0-07.0	+4.0	607.0-598.0
December	566.0-68.0	−1.5	576.0-64.0
March	559.0-59.5	−2.0	567.0-55.0
May	554.0-55.0	+2.0	563.0-50.0
July	554.0-55.0	+1.75	555.5-50.0
September	553.0-60.0	+4.5	560.0
December	550.0-59.5	−2.75	557.0-54.0

Sales: 1,731 (2,067) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 51.45 (53.55) U.S. cents per pound; Indicator 15-day average 54.71 (55.04); 22-day average 55.65 (55.93).

FREIGHTS

OIL TANKERS—Again active and with rates rising for September-loading supertankers in advance of the anticipated Arabian increase in crude prices in October. The feature was an unconfirmed report of a fixture by Flota, Brazil, of a 280,000-tonner in early September from Persian Gulf to Brazil at the considerably higher rate of Worldscale 38½.

Chevron also was active, taking VLCC tonnage at higher rates: a 270,000-tonner on September 20 from Persian Gulf to West at W.38—a rise of about 2 points, a 250,000-tonner, spot, for a similar voyage at the same rate, and a 150,000-tonner, Persian Gulf to West on September 5 at W.29½. The market, however, remains doubtful about rate prospects after the end of September.

DRY CARGO—Slightly steadier tendency of the past few days in N. American grain section continued and was strengthened by news of a large grain purchase by Poland from the U.S. although what proportion of this will find its way on to the open market for shipment is debatable.

Grain bookings included a cargo from Great Lakes to Algeria at $23 f.i.o. completing St. Lawrence $12.75 for Sept. and another from Toledo to Antwerp/Hamburg at $14.25 f.i.o. for Aug.

Grain shippers also covered a cargo from Norfolk or Charleston to Puerto Cortes, Honduras, at $10.25 free discharge for Sept. and paid $15.50 f.i.o. for soya-bean meal from U.S. Gulf to Rijeka for Sept.

Miscellaneous chartering included diammonium phosphate from U.S. Gulf to Benghazi at $29 f.i.o. for Aug.-Sept. while in the sugar section business developed from Brazil to Japan at $27 f.i.o. for Sept.

COFFEE

Robusta futures moved irregularly in the afternoon, with continued long liquidation in the nearer positions initially depressing the market before local covering gave prices a steady appearance at the close.

Arabicas finished 150 to five points lower in sales of 28 lots.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per tonne		
September	771.0-73.0	−9.0	779.0-67.0
November	776.0-79.0	−6.0	785.0-74.0
January	787.0-87.5	−4.5	791.5-84.0
March	790.5-91.0	−3.0	795.0-88.0
May	793.5-94.0	−5.75	798.0-92.0
July	796.5-97.5	−2.75	[illegible]
Sept.	798.5-99.0	−4.25	799.0

Sales: 943 (880) lots of 5 tonnes.

Latest published ICO indicator prices. U.S. cents a pound. Colombian Mild Arabicas 101.58 (same). Other Mild Arabicas 84.50 (85.00). Unwashed Arabicas Santos Fours 95.50 (95.75). Robustas 77.75 (same). Daily average 88.75 (88.92).

ARABICA CONTRACT (in order buyer, seller, sales): Aug. 95.80-96.00, 7; Oct. 93.50-94.00, nil; Dec. 94.80-94.90, 7; Feb. 95.00-95.50, 9; April 95.40-96.0, nil; June 96.1-96.50, 1; Aug. 96.45-96.75, 1. Sales 25.

RUBBER

STEADIER opening in the London physical market. Quiet throughout the day, closing hesitant. Lewis and Peat reported a Malaysian godown price of 151½ cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Sep.	55.90-57.50	58.00-57.00	—
Oct.	58.00-37.75	58.00-37.10	—
Oct.-Dc.	57.55-57.50	57.00-57.10	57.80
Jan.-Mr.	58.55-38.80	58.20-38.25	58.70-38.50
Ap.-Jun.	59.55-59.60	59.35-39.40	59.75-39.60
Jy.-Sep.	40.55-4.65	40.30-40.45	—
Oct.-Dec.	41.55-41.65	41.30-41.45	41.70-41.65
Jan.-Mr.	42.25-42.40	41.90-42.00	—
Ap.-Jun.	42.50-42.80	42.20-42.60	—

Sales: 73 (115) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 35.0p (same); Sept. 32.0p (32.1p); Oct. 32.75p (33.5p).

SOYABEAN MEAL

	Yesterday's Close	+ or −	Business Done
	£ per tonne		
August	95.0-94.9	−2.0	—
October	91.8-92.5	−0.45	—
December	92.7-92.8	−0.65	93.0-92.5
February	94.7-94.8	−1.0	94.8-94.0
April	95.9-95.9	−0.5	—
June	96.5-96.8	−1.25	96.0
August	96.8-97.2	−1.35	96.5

Sales: 33 (67) lots of 100 tonnes.

GRAINS

THE BALTIC—A fair quantity of optional sorghums traded for Sept.-Oct. shipment to the west coast U.K. Optional maize prices displayed small irregular movements and scattered business included Sept.-Oct. transhipment to the west coast. U.S. milling wheat prices were marked higher in line with firmness in Chicago.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., Nov. £104.40, Dec. £104.90 direct Tilbury. EEC Aug. £63.25, Sept. £63.50 east coast.

Maize—No. 3 Yellow American/French Sept. £70.25, Oct. £70 east coast.

Barley—EEC feed Aug. £63, Sept. £63.25 east coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, very steady. Close: Sept. 64.85, Nov. 67.30, Jan. 69.15, March 70.50, May 71.85. Business: Sept. 64.90-64.20, Nov. 67.60-66.60, Jan. 69.20-68.75, March 70.70-70.10, May 71.85-71.10. Barley, barely steady. Close: Sept. 62.90, Nov. 65.10, Jan. 66.95, March 68.30, May 69.65. Business: Sept. 63.45-63.30, Nov. 65.65-65.40, Jan. 67.45-67.10, March 69.00-68.25, May 70.05 only.

MARK LANE—Domestic grain prices moved higher, reflecting recent gains in Chicago and increased selling reserve. Milling wheat met a fairly active offtake with business in London including Sept. delivery at £69.30 and Oct.-Dec. at £69.50. In Liverpool Sept.-Dec. traded early in the day at £68.50, with Oct.-Dec. delivery subsequently realising £70.25.

Denaturable quality wheat was also quite active. Dealings in Avonmouth included Oct.-Dec. delivery at £67 to £67.50 and Jan.-March at £70, up to £70.75 per long ton, while Sept.-Dec. changed hands in Liverpool at £67 to £68, and Oct.-Dec. in East Anglia at £66.75. Feed barley was generally neglected, apart from scattered business in Avonmouth at £65 for Oct. and at £66 for Oct.-Dec. Average sellers' quotations per long ton for delivery London area: Wheat, Hagburg, Sept. £64.50 to £65.50, Oct.-Dec. £68 to £65.50; denaturable Oct.-Dec. £66.50. Barley, feed, unquoted.

HGCA—Location ex-farm spot prices: Soft milling wheat—S. Lincoln £60.15; Wiltshire £61.90. Feed wheat—S. Lincoln £59.15; Wiltshire £60.65. Feed barley—S. Lincoln £58.55; Wiltshire £60.25.

EEC DAILY IMPORT LEVIES and premiums effective August 22 (in order current levy plus Sept., Oct. and Nov. premiums, with previous in parentheses). Rates in units of account per tonne: Soft wheat and mixed wheat and rye—8.88, rest nil (10.75, rest nil); Hard wheat—All nil (all nil); Rye—21.29, rest nil (25.24, rest nil); Barley—All nil (all nil); Oats—nil, rest 1.88 (nil, rest 0.79); Maize (other than hybrid for seeding)—0.95, 4.34, 4.34, 5.53 (3.71, 4.34, 4.34, 5.53); Buckwheat—17.31, rest nil (17.31, rest nil); Millet—4.68, 0.79, 0.79, nil (4.68, 0.79, 0.79, nil); Grain sorghum—10.26, rest 0.79 (12.57, rest nil). Levies for flours: Wheat or mixed wheat and rye—30.47 (33.78); Rye—48.57 (54.19).

SUGAR

LONDON DAILY PRICES (raw sugar) lower at £215 (£225) a ton c.i.f. for Aug.-Sept. shipment. White sugar daily price was fixed at £219 (£225).

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	204.50-05.00	220.00-21.00	225.50-01.00
Dec.	207.00-01.20	216.00-17.00	221.00-199.0
March	198.00-99.50	215.50-14.50	218-196½
May	195.00-98.50	209.50-10.00	210-192½
Aug.	192.50-95.00	206.00-07.00	194.00-90.00
Oct.	191.00-91.50	205.00-08.00	194.00-93.00
Dec.	188.00-91.00	200.00-04.00	191.00-87.00

Sales: 4,565 (3,508) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £228.60 (same) a long ton for home trade and £300 (£310) a long ton for export.

EEC DAILY EXPORT LEVIES for white and raw sugars, denatured and non-denatured. Figures in units of account per 100 kilos with previous in brackets: White—6.01 (7.36). Raw—9.45 (11.09).

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on August 21: U.K.—Cattle £17.94 per live cwt (+0.60); Sheep 31.9p per pound e.d.c.w. (+4.1); Pigs £4.28 per sc.l.w. (+0.49). England and Wales—Cattle numbers up 6.7 per cent., average price £18.52 (+1.12); Sheep up 29.9, 32.6p (+5.1); Pigs up 40.7, £4.28 (+0.39). Scotland—Cattle up 5.4, £17.58 (−0.61); Sheep up 84.1, 28.7p (+5.1).

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 28.0 to 32.0. English hindquarters heavy 36.0 to 38.0. Eire hindquarters 37.0 to 39.0, forequarters 19.0 to 21.0.

Veal: English bobbies 8.0 to 10.0, Scotch bobbies 6.0 to 9.0, Dutch hinds and ends 58.0 to 66.0, higher quality hinds and ends 67.0.

Lamb: English small 23.0 to 32.0, higher quality small 34.0, medium 27.0 to 32.0, heavy 28.0 to 28.0, Scotch medium 24.0 to 29.0, heavy 24.0 to 26.0. Imported frozen: NZ D's 28.5 to 29.5, 2's 28.0 to 29.0, 3's 26.0 to 27.0, YLs 28.0 to 27.0.

Ewes: 9.0 to 13.0.

Pork: English, under 100 lbs 26.0 to 32.0, 100-120 lbs 26.0 to 31.0, 120-160 lbs 26.0 to 29.0, 160-180 lbs 24.5 to 26.0, 180 lbs and over 23.0 to 27.0.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Brazilian: 2.50-2.80; South African: 3.45-2.90; Californian: 2.70-3.20. Grapefruit—Californian: 4.50; Argentine: 4.60-5.50. Lemons—Italian: 6.50; South African: 5.80-6.50. Apples—French: Per 20 lbs Golden Delicious 72 2.60-2.70. Pears—Italian: Per pound Williams 0.10-0.11. Bananas—Windward Islands: Per 28 lbs 3.70; Jamaican: 2.80. Grapes—Cypriot: Per 15 lbs Sultana 2.80, 12 lbs 1.80; Italian: Per approx 8 lbs Regina 1.60-1.70. Peaches—Italian: Per 14 Trays 1.50-2.00. Plums—Italian: Per pound Stanley 0.14, Giant Prunes 0.10; Hungarian: Per 13 lbs Switzen 1.60. Tomatoes—Guernsey: 0.70-0.80; Jersey: 0.70. Onions—Spanish: 2.80. Melons—Spanish: 1.30-2.30. Courgettes—Jersey: 1.00.

English produce: Lettuces—Per 12 round 1.00, cos 1.20. Cucumbers—Per tray 12 1.40, 14 1.40, 18 1.30, 18 1.00, 20 0.80. Potatoes—Per 56 lbs 3.20. Celery—Per 20/24 1.20. Cabbages—Per bag, Primo 1.30. Marrows—Per 18 0.60. Cauliflowers—Per 12 1.40-1.60. Mushrooms—Per pound 0.40. Beetroots—Per 12 lbs 1.20. Tomatoes—Per 12 lbs 0.50-0.60. Stick Beans—Per pound 0.14. Onions—Per 56 lbs 2.40-2.50. Apples—Per pound Grenadiers 0.04-0.05, Bramleys 0.08-0.10, James Grieve 0.09, Discovery 0.15, Tydeman's Early Worcester 0.14. Courgettes—Per 12 lbs 0.50-0.60. Carrots—Per 28 lbs 0.70.

WOOL FUTURES

LONDON—Market featureless, Bache reports.

(Pence per kilo)

Australian Greasy wool	Yesterday's close	+ or −	Business Done
October	160.0-65.0	−1.5	—
December	164.0-69.0	−0.5	—
March	173.0-75.0	......	—
May	176.0-80.0	+1.0	176.0
July	178.0-82.0	+0.75	—
October	186.0-88.0	......	—
December	190.0-95.0	......	—
March	193.0-97.5	+0.25	—

Sales: 1 (14) lots of 1,500 kilos.

BRADFORD—Business quiet again following anticipation of higher prices in Australia, which brought out improved market activity and higher prices for tops.

SYDNEY GREASY (in order buyer, seller, business)—Oct. 251.0-251.5, 251.0-250.0; Dec. 257.0-257.5, 258.2-257.1; March 264.0-264.5, 264.1-263.0; May 267.0-267.5, 267.0-266.5; July 267.9-269.4, 269.0-267.0; Oct. 269.5-270.5, 270.0-269.5; Dec. 270.5-270.9, 270.9-269.0. Sales: 131.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Sept.-Oct. shipment: BWB £195, BWC £188, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods steady. Quotations c. and f. U.K. for Aug. shipment: 10-oz. 40-inch £6.77, 7½-oz. £5.20 per 100 yards, Sept. £6.89 and £5.32, Oct.-Dec. £7.17 and £5.46. "B" twills: £21.66, £21.89 and £22.12 for the respective shipment periods. Yarn and cloth very quiet.

LONDON—Quiet. Bangladesh White "C" grade Aug.-Sept. £195; "D" grade Aug.-Sept. £188. A long ton.

CALCUTTA—Closed to-day—local holiday.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 338 tonnes, bringing the total for the week so far to 576 tonnes. Larger quantities of supplies were sought and transactions broadened, especially in Middle Eastern qualities. Long staple varieties remained in dull request, F. W. Tattersall reports.

★

GRIMSBY FISH—Supply fair, demand good. Prices per stone: Shelf cod £1.70-£3.20, codlings £1.60-£2.10; large haddock £2.70-£3.20, medium £2.10-£2.50, small £1.70-£2.20; large plaice £3.50, medium £3.50, best small £3.90; skinned dogfish £3.60, medium £3.00; coalfish £1.05-£1.15; rockfish £1.10-£1.30; lemon soles £4.20-£4.50, reds 80p-£1.00.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 21 1975	+ or −	Month ago
Metals			
Aluminium (a)	£598	......	£598
Free Market cif	£540-560	......	£510-525
Copper			
Cash Wire Bars (a)	£619.75	−2.25	£566.25
3 month do. do. (a)	£641.75	−5.0	£586.25
Cash Cathode (a)	£605.5	−2.5	£554
3 months do. (a)	£628.25	−1.75	£574
Gold ... Troy oz.	$162.125	−0.75	$165.25
Lead Cash (a)	£186.75	−2.5	£167.25
3 months (a)	£195.375	−2.375	£174.75
Nickel (a)	£1,992.5	......	£1,956
Free market cif (lb)	$1.75-.85	......	$1.75-.90
Platinum (troy oz.)	£81-85	......	£72-76½
Free Market	£81.5	+0.5	£75.75
Quicksilver (76lbs)	$111-116	......	$110-115
Silver Troy oz.	229.8p	+1.55	215.5p
3 months	236.9p	+1.75	221.5p
Tin Cash (a) §	£3,182.5	−1.5	£3,108
3 months (a)	£3,242.5	−0.5	£3,118
Wolfram 22.04lb. cif	£40½-42½	......	£40-40.5
Zinc Cash (a)	£354.5	−3.75	£319.75
3 months (a)	£367.75	−3.25	£328.25
Producers (a)	£360	......	£360
Oils			
Coconut Malaysian	‡	......	£178*
Groundnut			
6%	£463	+1.0	£400
Linseed Crude (a)	£452	......	£422
Palm Malaysian (a)	£215	......	£190
Soyabean (a)	‡	......	‡
Seeds			
Copra Philipp ton	$232.5	......	$235
Gr'nuts Nigerian	£182	......	
Linseed Can. No. 1	£180.5	......	£180
Grains			
Barley EEC	£63	+0.5	£57.25
Homes Futures	£62.9	−0.05	£56.5
Maize			
French No.3 Am.	£70.25	+1.0	£60.25
S.A.Yellow	‡	......	£59
Wheat			
No. 1 Red Spring	‡		
No.2 Hard Winter	‡		
Australian (f.a.q.)	‡		
English Milling	£64.5	+1.0	£59.75
Cocoa Shipment (a)	£605	+1.5	£714.5
futures Dec.	£567	−1.5	£650.5
Coffee Shipment (c)	72		
futures Nov. (Ub)	£778.5	−6.0	£719.25
Cotton 'A' Index cent	55.85	+0.05	54.2
Jute LJABWC (d)	£195	......	£195
Rubber ... kilo	35p	......	33.5p
Sisal EA3L (a)	$600	......	$600*
Sugar (Raw)	£215	−10	£195
Wooltops 64s ... kilo	193p	......	188p
Cloves (Madagaska)	£2,550	......	£2,550
Pepper White ... ton	£900	......	£890
Black ... ton	£700	......	£690

* Nominal. † Seller. § Unofficial close ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h November. Aug.-Sept. u Metric tons. r September. o Aug.-Oct. s July-Aug. t Nov. q May-June. w Nov.-Jan.

FINANCIAL TIMES

Aug. 20	Aug. 19	Month ago	Year ago
186.81	185.82	175.26	205.83

(Base: July 1, 1952=100)

REUTER'S

Aug. 21	Aug. 20	Month ago	Year ago
1185.8	1167.5	1116.6	1270.7

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 20	Aug. 19	Month ago	Year ago
Spot	333.26	330.75	303.65	366.51
Futures	316.62	316.40	287.81	341.47

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 20	Aug. 19	Month ago	Year ago
Sple Comm'ty	817.4	811.4	766.1	848.2

(Dec. 31, 1931=100)

★

COPRA—Philippines: Aug. and Sept. $232½, Oct. $235, Nov. $237½ per tonne c.i.f. North European ports.

U.S. Markets

Sugar, cocoa down, copper up

NEW YORK, August 20.

SILVER closed lower on long liquidation. Copper advanced on reports of a Zambian force majeure on shipments from war-torn Angola. Trade selling activating commission house stops forced both sugar and cocoa to close limit down to sharply lower. Chicago grains failed to hold limit up gains but still managed to close higher across the board on exporter buying.

Cocoa—Ghana spot 77¾ (79¼). Bahia spot 59½ (61¼). Sept. 59.85 (60.65), Dec. 52.20 (59.10), March 49.60, May 49.55, July 47.35, Sept. 46.45, Dec. 45.50 settlements. Sales: 2,377.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Sept 86.70-86.00 asked (86.17), Nov. 85.50 (85.80), Dec. 85.10, March 84.45-84.50, May 84.50-85.00 asked, July 85.10-85.60 asked. Sales: [illegible]

Copper—Aug. 60.90 (60.10), Sept. 61.10 (60.30), Oct. 61.70, Dec. 63.00 settlements. Sales: 2,477.

Cotton—Oct. 51.73 (51.83), Dec. 52.15-52.25 (52.36), March 52.90, May 53.60, July 54.16-54.20 asked, Oct. 54.45-54.55 asked, Dec. 54.72-54.75 asked. Sales: 2,550.

ΦGold—Aug. 162.60 (161.90), Sept. 163.40 (162.50), Oct. 164.40, Dec. 167.10, Feb. 170.00, April 173.00, June 176.10, Aug. 179.10, Oct. 182.10, Dec. 185.10. Sales: 963.

Greasewool—Spot 183.5 nom. (same), Oct. 153.5-157.0 asked (155.0), Dec. 154.0-157.0 asked (155.5), March 153.5-156.5 asked, May 152.5-160.0 asked, July 151.0-161.5 asked, Oct. 150.0 bid, Dec. 150.0 bid.

†Lard—Chicago loose 37 (same). NY prime steam 36½ nom. (same).

††Maize—Sept. 326½-328 (319½), Dec. 326-327 (318½), March 333-334½, May 337½-338, July 339.

‡Platinum—Oct. 176.40 (173.50), Jan. 181.30 (177.90), April 186.50, July 190.50 bid, Oct. 195.00 bid, Jan. 199.70 bid. Sales: 851.

‡‡Silver—Spot 459.00 (477.90), Aug. 456.00 (459.60), Sept. 467.10 (491.10), Oct. 491.70, Dec. 501.00, Jan. 505.50, March 514.60, May 523.10, July 531.40, Sept. 539.70, Dec. 552.10. Sales: 7,575.

*Soyabeans—Aug. 642 (629), Sept. 626-627 (634), Nov. 637-633, Jan. 644-646, March 653, May 660-661, July 665, Aug. 665.

bSoyabean Meal—Aug. 167.00-169.00 asked (163.00), Sept. 154.00-154.50 (151.30), Oct. 156.00-157.00, Dec. 162.00-162.50, Jan. 164.00-164.50, March 168.00-169.00 asked.

Soyabean Oil—Aug. 28.20-29.30 (27.70), Sept. 26.50-26.25 (26.40), Oct. 25.30-25.35, Dec. 24.45-24.35, Jan. 24.65, March 24.00, May 23.80, July 23.50, Aug. 23.25.

Sugar—Spot 20.00 (same), Sept. 19.40-19.25 (20.25), Oct. 18.90-18.85 (19.85), Jan. 15.20 nom., March 18.00-17.80, May 17.70-17.60, July 17.40 nom., Sept. 17.25 nom., Oct. 17.10 nom. Sales: 7,183.

Tin—319.00-401.90 (363.90).

**Wheat—Sept. 439-440 (423½), Dec. 457-459 (441½), March 470-470½, May 473, July 457.

WINNIPEG, August 20. ††Rye—Oct. 342½ bid (332½), Dec. 319 bid (309), May 322 bid, July 320 bid.

rOats—Oct. 179½ (177½), Dec. 165 (167½ asked), May 179 asked.

§Barley—Oct. 275 (270 bid), Dec. 268 (259½ asked), May 265 asked.

dFlaxseed—Oct. 865 (845), Nov. 950 asked (825 bid), Dec. 821 bid, May 816 asked, July 780 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 548 (556½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. r Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

COMPANY NOTICES

STOCK EXCHANGE REPORT

Gilt-edged easier again, but equities make headway

Share index 3.8 up at 304.5 and 25.7 higher on the Account

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sep. 4	Sep. 5	Sep. 16
Sep. 8	Sep. 18	Sep. 19	Sep. 30

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets closed the pre-holiday Account in firm fashion. Gilts, on the other hand, continued to retreat against a background of growing fears of a further increase in U.S. interest rates. Closing falls ranged to ¾ and the Government Securities index gave up 0.25 to 60.35. The Prime Minister's anti-inflationary speech had little impact on sentiment in either gilts or equities.

The fresh overnight setback on Wall Street made for another dull start in the equity leaders. But in the absence of selling, a modest demand saw a gradual improvement for the rest of the day, leaving final quotations a few pence better on balance. Down 1.9 at 10 a.m., the FT 30-share index ended a net 3.8 higher at 304.5 for a rise of 25.7 over the Account. Tube Investments were again noteworthy for a further gain of 6 to 238p in response to the encouraging statement on second-half prospects, while London Brick also rose 6 to 54p on better-than-expected first-half figures.

Overall, it was another rather lifeless session and, unlike the leaders, second-line issues failed to show a decided trend. Falls just had the edge over rises in FT-quoted Industrials. Official markings of 4,477 compared with 4,707 on Wednesday and 3,664 a week ago.

Gilts drift again

British Funds expressed mild disappointment with the lack of the hoped for details of public expenditure cuts in Mr. Wilson's broadcast Wednesday evening and immediately became more concerned about the awaited U.S. money supply figures and their subsequent impact on interest rates there. The easiness in sterling also made for caution but because business was so small, the resulting price losses were in proportion, ranging to only ¾ throughout the list. Corporations, too, drifted easier ahead of to-day's debut of the new Liverpool 13¼ per cent., 1981, loan, 22 per cent. of which was left with the underwriters; an opening price of ¼ discount, or possibly as much as ½ discount, was thought likely.

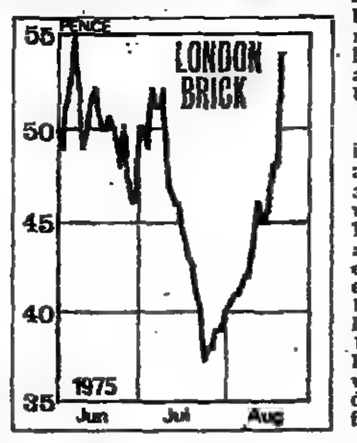
A well balanced and steady trade in investment currency made no great impact on the premium which, after minor fluctuations either way, closed ½ down on the day at 95½ per cent. Yesterday's SE conversion factor was 0.6314 (0.6239).

London Brick good

Standing at 49p ahead of the interim statement, London Brick moved strongly ahead in active trading on the better-than-expected first-half profits to close 6 up at 54p, while the 14 per cent. Convertible Unsecured Loan Stock 1984 were raised 9 points to £125. Baggeridge Brick hardened 1½ to 18p in sympathy. Other Buildings were also moving ahead in the late trade. Ibstock Johnsen improved 3 to 63p and Associated Portland Cement 4 to 142p, while Rawlings Bros. managed to finish a penny better at 17p despite the first-half loss. Bainbridge, however, were lowered 7 to 20p on small selling in an unwilling market. Heywood Williams provided another late dull feature at 22p, down 4, on the reduced earnings.

ICI closed unchanged at 255p after narrow fluctuations. Elsewhere in Chemicals, Rentokil hardened 2 to 57p in response to the interim statement. Akzo, however, closed a shade easier at a 1975 low of £10 following news of the postponement of three major international expansion projects.

With the exception of Scottish and Newcastle, which hardened 1½ to 49p on the chairman's encouraging AGM statement, Breweries were little changed after a small trade. Allied rallied from



early easiness to finish unaltered on the day at 62p.

News of the £32.4m. loss and dividend omission caused dealers to mark UDT down to 15p initially but, helped by bear closing, the shares then rallied strongly to close a penny better on balance at 18p. The big four Banks adopted a mixed trend with Barclays 2 down at 250p and Midland that much up at 245p, while Lloyds improved 3 to 198p. In overseas issues, Hong Kong and Shanghai rose 4 to 220p following Hutchison International's acceptance of the bank's offer to subscribe for 150m. of its Ordinary shares. Apart from Allen Harvey and Ross, which lost 10 at 300p, Discounts gained ground in places with Gerrard and National 7 to the good at 252p. Quietly firm Merchant banks had Goode Durrant and Murray a penny dearer at 17p despite the sharp contraction in half-year earnings. Schroders rose 25 to 395p in a restricted market.

For the sixth consecutive trading day, "Royals" gained ground in Insurances, firming 4 more to 278p, with sentiment still helped by Tuesday's satisfactory interim results. Sun Alliance, who report half-year results on September 3, added 3 to 338p, while Commercial Union put on 4 to 142p.

Electrical leaders reversed an initially easier stance and generally finished firmer on balance after another thin trade. GEC were finally 3 up at 121p, after 116p, and Plessey a penny harder at 70p, after 68p, while BICC ended 2 better at 103p. However, EMI closed a penny down at 175p, after 174p, while Philips' Lamp, on lack of interest, slipped 11 to 675p. Elsewhere, Suter Electrical provided a small feature with a rise of 2½ to 7p on the declaration of a dividend for the first time since 1964.

After a dull start, Stores staged a modest recovery and closed little changed on the overnight levels following a reasonable trade British Home Stores, at 292p, recouped 4 of the previous day's fall of 6, while Marks and Spencer, 99p, and "Gussies" 'A,' 165p, both closed a penny harder. F. W. Woolworth continued firmly, rising ½ more to 47½p on the further consideration of the interim statement. Vantona hardened 1 to 43p on the bid situation, but Dixon's Photographic 'A' eased 1 to 34p following Press comment on the "rights" issue and profit statement. W. and E. Turner moved up 2 to 17p in Shoes.

Market conditions were initially against Tube Investments responding further to the much more optimistic view of second-half trading and the price drifted back to 229p before rallying later with other leading equities to close 6 higher on balance at 238p. Engineerings otherwise had a fair sprinkling of gains including Peter Brotherhood, up 4 more at 61p, Davy, 3 better at 77p, and Pegler-Hattersley, which also rose 3 to 117p. News items lifted Fife Forge 3 to 45p, Tom Martin 2 to 48½p and James Neill 1 to 51p. Publicity given to the £30m. Qatar desalination order took Weir up 3 further to 56p, while the "rights" issue together with impressive interim results caused Woodhouse Rixson to harden ½ to 30p. Against the trend, Spear and Jackson lost 4 to 87p and profit-taking lowered Wolseley-Hughes 3 to 70p.

Foods edged higher with Tate and Lyle closing 5 up at 204p and Watson and Philip 4 to the good at 66p. Cavenham finished a penny harder at 129p following the chairman's comments on the company's prospects in the annual report. Needlers picked up a like amount at 14p on the first-half profits increase. Against the trend, Associated Fisheries eased 2 to 29p; the interim results are expected shortly.

Hotels and Caterers were better where changed. Grand Metropolitan finished 1½ up at 63½p, while Ladbroke, 142p, and J. Lyons "A", 132p, put on 4 and 5 respectively.

Norcros recede

Miscellaneous Industrial leaders moved within fairly narrow limits during another small business, but ended firmer for choice. Metal Box, 231, and Pilkington, 235p, managed gains of 5 apiece, while Boots, 111p, and Turner and Newall, 101p, both ended 3 harder. Glaxo were finally 2 up at 340p, after 335p, but Rank Organisation "A" recorded a loss of 5 at 120p, while Bowater closed 2 easier at 148p. Elsewhere, the proposed £9.7m. "rights" offer adversely effected Norcros, which receded 5 to 51p. Pentos shed 2 to 40p on the half-time statement, while the chairman's statement at the annual meeting left United Gas Industries a penny down at 15p. Mono Containers declined 4 to 23p and Elbar Industrial 5 to 105p, while Anglowest, ahead of to-day's interim results, lost 2 to a 1975 low of 33p. After Wednesday's sharp reaction of 11, Central Manufacturing closed a penny cheaper at 53p, after 50p, on further consideration of the company's bid for LCP, while the latter, up 7 the previous day on the bid news, ended a penny easier at 52p, after 49p. Hanson Trust were a firm spot at 98p, up 3, helped by the sale of its stake in Gable Industries, of the U.S. Leisure Caravan Parks added 4 at 89p in response to the chairman's encouraging statement. The South African Rennies Consolidated surged ahead 22 more to 305p in a short market ahead of the formal offer documents from Jardine Matheson for the acquisition of a 30 per cent. stake.

After Wednesday's disappointing return to the market, Fodens attracted a better business and closed 3 up at 15p. Other Motors and Distributors were idle and little changed. Dunlop were finally unchanged at 47p, after 48p, but Lucas Industries moved up late to close 3 better at 104p.

Richard Clay rose afresh following a good Press coverage of the first-half upsurge to close 7 up at 35p. Among other Paper/Printings, John Waddington, now one class of shares apart from the New Ordinary issued as compensation to previous "A" shareholders, rose 4 to 83p. Eucalyptus Pulp found renewed support and gained 4 to 32p, but Harrison and Sons rescinded Tuesday's rise of 4, at 34p. Newspapers were generally untested with the exception of Beaverbrook "A," 1½ better at 30½p.

Properties bought

Buying interest picked up appreciably in the Property leaders yesterday. Land Securities improved 4 more to 146p, while the new 10 per cent. Convertible (now in £40 paid form), put on 1½ points more to £45. MEPC secured a gain of 4 at 81p, while English Property, stimulated by favourable Press comment, added 3½ to 47p. Town and City Properties hardened a penny to 18p ahead of to-day's preliminary results. Selective demand was seen for several other good quality stocks, Stock Conversion advancing 10 to 140p and Haslemere Estates 7 to 177p. Great Portland Estates improved another 4 to 190p, while Slough Estates put on 3 to 73p and Wingate Investments 2 to 22½p. The rather low level of acceptances to the "rights" offer by Law Land (2 up to 48p) came as no surprise to the market. Regional Properties, with results expected to-day, firmed a penny to 27p.

Late inquiries found few sellers of Oils operating and in thin trading Shell moved ahead rather quickly to close 7 up at 325p, while British Petroleum improved 4 to 507p. Ultramar, too, hardened to end 2 higher at 190p and Anglo-Ecuadorian, in further reply to the good first-half results, rose 3 more to 35p. Continental influences, however, lowered Royal Dutch ¼ to £27, while domestic market advices brought Pan Ocean down 30 to 720p and Associated Australian back 3 to 105p.

Overseas Traders stayed close to overnight levels. Anglo-Thai managed to harden 3 to 102p, but Sime Darby closed that amount easier at 64p.

Most of the business on the Shipping pitch was transacted in the last hour or so. Furness Withy rallied from 210p to close unchanged on the day at 213p while Felixstowe Dock hardened 2 more to 76p, making a three-day gain of 12. P. and O. Deferred ended ½ better at 81p, after 79½p.

Trusts and Financials attracted only a small business and closed mixed. Press comment on the results helped Gresham firm 2 to 22p, while improvements of 4 were seen in Dalgety, 174p, and S. Pearson, 122p.

Textiles displayed no set trend after a small turnover. Courtaulds firmed to 118p initially but then ran back late to close 1 cheaper on balance at 114p. Bear Brand eased a shade more to 8p on further consideration of the loss, while in a thin market, John Haggas lost 10 to 180p. Hugh Mackay (interim results due September 17) gave up 1½ to 20½p. David Dixon, however, added 2 to 26p.

"Tanks" give ground

In the absence of selling, Bats rallied 5 to 273p in Tobaccos where Imps improved ½ to 65½p.

Small losses were the order of the day in Rubbers. Kulim, 28p, lost a penny of the previous day's gain of 2½ which followed news of the company's planned reconstruction and change of domicile to Malaysia. Guthrie gave up 5 to 142p.

Apart from Tanganyika Concessions, which fell another 4 to 176p, after 174p, Copper shares showed total indifference to news that the Benguela Railway, which carries a major part of Zambia's metal exports to the west coast port of Lobito, has been closed since last Sunday owing to political unrest in Angola.

Of the Zambian producers, ZCI hardened to 53p owing to modest Continental demand, while Roan Consolidated gained 10 to 290p, helped by U.S. demand. Minorco were unaltered at 263p. Although the metal price gave up some of Wednesday's rise, Botswana RST added 4 at 74p.

Gold shares were firmer across the board, while the metal price, although above the lowest, was 75 cents off at $162.125 per ounce. The Gold Mines index put on 3.6 to 354.1.

President Steyn were especially firm, adding ½ at £17, and St. Helena were ½ to the good at £30½. Deelkraal were 4 up at 390p despite the indication that the capital cost of the mine might be above that last forecast.

Financials were quietly firmer with Anglo American 5 up at 440p. After touching 308p on further Cape interest, De Beers ended unaltered at 305p. Platinums rallied with Potgietersrust recouping 4 at 234p.

Australians continued to suffer from post-Budget blues, with Utah Mining 15 off at 710p and Western Mining 3 lower at 149p. Where changed, Tins were harder. Ayer Hitam added 2 at 132p in front of the increased full-year's dividend declaration, while Tronoh, which has raised its interim payment, were unaltered at 59p.

Elsewhere, Charterhall ended 1½ off at 51p after 50p owing to profit-taking. In an otherwise easier Canadian-Irish section Westfield Minerals hardened 2½ to 67p.

FINANCIAL TIMES STOCK INDICES

—	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 15	Aug. 14	A year ago
Government Secs	60.35	60.60	60.84	60.72	60.31	60.02	54.05
Fixed Interest	60.27	60.46	60.66	60.63	60.42	60.26	53.91
Industrial Ordinary	304.5	300.7	303.0	303.7	292.7	293.1	212.6
Gold Mines	354.1	350.5	348.6	352.6	351.0	355.3	370.2
Ord. Div. Yld. %	6.82	6.88	6.84	6.82	7.06	7.05	9.25
Earnings Yld. % (full) (a)	19.68	19.86	19.75	19.69	20.39	20.33	24.87
P/E Ratio (net) (a) (b)	7.25	7.18	7.22	7.25	7.00	7.02	5.62
Dealings marked	4,477	4,707	4,480	4,152	3,811	3,664	6,285
Equity turnover £m.	—	31.556	40.52	39.59	36.18	36.45	36.02
Equity bargains total	—	10,354	10,751	10,900	8,766	10,151	11,201

10 a.m. 298.8. 11 a.m. 299.5. Noon 301.0. 1 p.m. 301.1.
2 p.m. 303.0. 3 p.m. 302.8.
Latest Index 01-246 8026.
(a) Based on 52 per cent corporation tax. (b) Nil=7.20.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (30/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 21	Aug. 20
Daily—		
Gilt-Edged	183.9	234.5
Industrials	139.0	137.8
Speculative	34.2	43.9
Totals	101.9	107.1
5-day Av'ge		
Gilt-Edged	205.5	194.8
Industrials	128.7	124.1
Speculative	35.5	35.3
Totals	98.5	94.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section.

	Group	Thursday, August 21, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. August 20 Index No.	Tues. August 19 Index No.	Monday August 18 Index No.	Friday August 15 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	108.11	-1.4	21.16	7.47	7.03	7.03	108.61	107.56	107.47	105.13	76.74	131.36 (6/6)	51.78 (6/1)	206.57 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	96.41	+1.7	17.81	5.21	8.56	8.57	94.75	95.58	95.32	92.44	74.55	117.40 (22/4)	46.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	182.91	+0.2	19.64	4.99	7.66	7.66	182.55	183.07	181.01	175.37	119.76	251.61 (23/4)	74.74 (6/1)	380.35 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	204.55	+2.5	19.91	5.67	7.56	7.37	199.66	205.93	206.51	199.57	142.26	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	126.27	-1.2	27.02	5.60	5.64	5.64	124.76	126.25	126.11	124.00	90.40	159.79 (22/4)	64.39 (2/1)	202.57 (5/6/72)	64.39 (2/1/75)
6	Engineering (General) (64)	94.24	+1.5	22.96	8.73	6.43	6.43	93.02	95.15	92.46	91.62	65.55	117.40 (6/6)	46.43 (6/1)	166.59 (4/5/72)	46.43 (6/1/75)
7	Machine and Other Tools (9)	37.84	-0.7	20.60	10.89	[illegible]	[illegible]	38.13	38.17	37.85	37.61	26.39	46.98 (20/5)	20.11 (2/1)	136.70 (4/7/69)	19.96 (13/12/74)
8	Miscellaneous (23)	93.86	-0.4	25.89	8.25	5.77	5.77	94.25	95.07	96.28	94.65	68.90	121.76 (6/6)	49.66 (6/1)	177.41 (27/4/72)	49.66 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	83.29	-0.1	21.69	7.59	6.75	6.72	83.19	85.52	83.05	81.94	61.08	95.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	96.17	+0.6	20.07	5.41	7.36	7.36	97.65	98.72	98.57	96.70	67.59	106.34 (6/6)	44.28 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (15)	126.06	+0.2	21.20	8.15	5.87	5.87	125.85	125.94	124.95	123.34	97.98	146.90 (23/4)	64.55 (6/1)	263.22 (4/5/72)	63.92 (12/12/74)
12	Motors and Distributors (27)	43.62	-0.7	25.01	10.72	5.74	5.71	43.81	43.49	42.10	42.87	34.58	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	123.58	+0.4	16.22	6.83	8.90	8.84	123.06	123.70	124.44	120.91	85.18	146.48 (6/6)	61.98 (6/1)	226.08 (16/5/72)	61.41 (13/12/74)
14	Breweries (16)	159.41	+0.2	14.28	7.29	10.59	10.59	159.17	158.19	159.41	155.08	97.55	165.83 (6/6)	75.58 (6/1)	281.87 (22/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	134.92	-0.8	14.42	7.51	10.46	10.46	135.98	135.45	137.21	132.73	107.58	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	139.94	-0.4	14.58	8.02	10.65	10.08	139.40	139.78	140.79	137.77	79.96	158.44 (27/6)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	136.32	-0.7	15.06	5.85	9.13	9.09	135.30	137.12	137.50	135.07	81.30	155.57 (6/6)	62.03 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	122.86	+0.7	12.81	5.25	11.37	11.37	122.05	122.94	123.89	120.25	75.24	149.17 (4/6)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	123.71	+1.1	16.60	7.66	9.18	9.18	122.40	121.11	118.62	121.76	99.70	152.14 (6/6)	65.08 (6/1)	260.29 (12/1/72)	65.08 (6/1/75)
20	Packaging and Paper (13)	84.15	-0.9	26.27	8.74	5.59	5.59	85.40	85.72	85.38	81.03	61.80	107.12 (23/5)	43.46 (6/1)	185.59 (26/4/72)	43.46 (6/1/75)
21	Stores (31)	107.31	+0.5	13.45	6.10	11.30	11.30	106.94	107.19	107.90	102.75	70.14	133.94 (30/6)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	136.18	+0.4	27.56	8.49	4.38	4.28	135.62	135.91	136.99	133.31	97.64	145.07 (27/5)	62.91 (6/1)	253.72 (17/9/69)	[illegible] (11/12/74)
23	Tobacco (3)	175.16	+0.4	19.57	7.78	7.77	7.77	172.40	175.45	177.24	175.11	126.77	199.16 (10/3)	109.98 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.82	+0.6	52.75	8.66	4.25	4.22	41.56	41.54	41.23	41.00	30.76	44.08 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	159.50	-0.1	21.76	5.75	6.57	6.57	159.67	161.56	162.66	158.77	106.77	189.17 (6/6)	73.14 (6/1)	301.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	70.58	-2.5	19.85	7.40	6.99	6.99	72.04	73.08	73.40	70.45	70.29	104.78	45.34	246.06	45.34 (2/1/75)
27	Shipping (12)	308.60	-0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	90.90 [illegible]
28	Miscellaneous (46)	125.48	-0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	119.39	-0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	59.01 (13/12/74)
30	OILS (4)	286.56	-1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	87.26 [illegible]
31	500 SHARE INDEX	133.73	-0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	65.49 (12/12/74)
32	FINANCIAL GROUP (100)	117.54	-0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	55.88 (13/12/74)
33	Banks (6)	136.09	-0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	62.44 (12/12/74)
34	Discount Houses (9)	144.02	-0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	81.40 (10/12/74)
35	Hire Purchase (5)	86.34	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	38.83 (11/12/74)
36	Insurance (Life) (9)	101.98	-0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44.88 (2/1/75)
37	Insurance (Composite) (7)	97.04	-0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	43.96 (13/12/74)
38	Insurance (Brokers) (8)	178.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Merchant Banks (19)	78.61	-0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	31.21 (7/1/75)
40	Property (32)	146.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	Miscellaneous (6)	60.59	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	33.29 (17/12/74)
42	Investment Trusts (50)	142.91	-1.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	129.92	-0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	402.03	-1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	84.68 [illegible]
45	Teas (10)	100.34	-0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	59.72 (17/10/74)
46	Coppers (3)	370.01	-1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	94.08 [illegible]
47	Mining Finance (11)	121.80	-0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	66.31 [illegible]
48	Tins (5)	84.71	+0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	54.83 [illegible]
49	Overseas Traders (13)	197.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	97.37 (6/1/75)

	FIXED INTEREST	Thurs., August 21 Index No.	Yield %	Wed. August 20	Tues. August 19	Monday August 18	Friday August 15	Thurs. August 14	Wed. August 13	Tuesday August 12	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—
2	20-yr. Govt. Stocks (6)	49.63	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	47.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trusts Prefs. (15)	46.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	66.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value: [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	12	255	—	302	116
Shell Transport	25p	11	325	+7	348	115
Howard Mc. 'New'	Nil/pd.	9	5¼*	—	6¾*	1*
Land Secs.	50p	9	146	+4	251	79½
Marks & Spencer	25p	9	99	+1	128	47½
Barclays Bank	£1	8	250	−2	325	112
Distillers	50p	8	109½	−1½	150	65½
GEC	25p	8	121	+3	133	51
Reed Intl.	£1	8	205	—	297	134
Royal Ins.	25p	8	278	+4	339	125
Scot. & New. 'New'	Nil/pd.	8	7*	—	7*	1½*
"Bats"	25p	7	273	+5	388	164
Brit. Leyland	50p	7	52	—	67	20
BP	£1	7	507	+4	556	190
Burmah Oil	£1	7	27	—	100	27

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 19	Sep. 1	Nov. 13	Nov. 25
Sep. 2	Sep. 15	Nov. 27	Dec. 9
Sep. 16	Sep. 29	Dec. 11	Dec. 23

"Calls" were dealt in Premier Oil, Distillers, Westland, Lonrho, National Westminster Bank warrants, Dunlop, MEPC, Fraser Ansbacher and Land Securities. A "put" was done in Premier Oil, while "doubles" were arranged in Amalgamated Investment, British Land and National Westminster Bank warrants.

Industrials		Grand Met.	7	Slater Walker	9		
		G.U.S. 'A'	17	Spillers	5	Mines	
A. P. Cement	15	Guardian	20	Tesco	6	Anglo Amer.	60
Assoc. Leisure	3	G.K.N.	22	Thorn "A"	17	Broken Hill Prp.	75
Barclays Bank	25	Hawker Sidd.	27	Tube Invest.	24	Charter Cons.	22
Beecham	28	House of Fraser	8	Unilever	35	Chart'rh'll Fin.	10
Boots Drug	12	Hudson (Wilms)	4	Utd. Drapery	10	Cons Gold	32
Bowaters	16	I.C.I.	21	Vickers	13	De Beers Def.	35
B.A.T.	30	"Imps"	7	Woolworths	6	F.S. Geduld	560
British Leyland	7	I.C.L.	7			Great Boulder	12
BOC Int.	5½	Inveresk	7	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	13	Cap. Counties	4½	Hampton Prop.	4
Cadburys	6	Lloyds Bank	22	E.P.	8	Kloof	140
Courtaulds	12	"Lots"	6	Int. Europe.	6	Lonrho	15
Debenhams	8	"Mams"	6	Land Securities	18	Lorraine	55
Distillers	13	Marks & Sp'ncer	11	Peachey	6	Metals Explor.	8
Dunlop	5½	Midland Bank	25	Town & City	4½	Poseidon	55
Eagle Star	13	Nat'l West Bank	22	Town & Comm.	4	Pres. Steyn	275
E.M.I.	17	P & O Dfd.	10			Rio T. Zinc	20
First National	2	Plessey	8	Oils		Welkom	[illegible]
G.R.A. Trust	4	R.H.M.	6	Brit. Petroleum	45	West Areas	75
Gen. Accident	16	Rank Org. 'A'	17	Burma Oil	5	Western M'ng.	18
Gen. Electric	13	Reed Int'l	23	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (8)
STORES (1)
Gelfer (A. & J.)
ENGINEERING (1)
Braithwaite
FOODS (1)
Watson and Philip
INDUSTRIALS (2)
Pilkington
Rennies Cons.
SHIPPING (1)
Hunting Gibson
SOUTH AFRICANS (1)
Abercom
TRUSTS (1)
SPLIT Inc.

NEW LOWS (5)
AMERICANS (1)
AMF 5pcCnv. 1987
BUILDINGS (1)
Bainbridge
CHEMICALS (1)
Akzo
INDUSTRIALS (1)
Anglowest
TRUSTS (1)
U.S. Tst. Fund

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	3	47	6
Corpns., Dom. and Foreign Bonds	9	8	[illegible]
Industrials	214	[illegible]	[illegible]
Financial and Prop.	68	139	402
Oils	4	10	19
Plantation	4	4	[illegible]
Mines	39	29	[illegible]
Recent Issues	17	[illegible]	36
Totals	367	486	1,432

'16-HOUR DAY' FOR HOTELIERS

CHEFS, cooks, waiters and waitresses are in such short supply in the West Country hotel trade this summer that many owners are working 16 hours a day.

Mr. Charles Keast, Manpower Services Commission, catering trades officer based at Truro, said he had been seeking skilled staff with little success. Permanent staff were also in demand for hotels which kept open throughout the year.

BASE LENDING RATES

AFI International	10 %
Allied Irish Banks Ltd.	10 %
Anglo-Portuguese Bank	10½%
Henry Ansbacher	10½%
Banco de Bilbao	10 %
Banco de Jerez	10½%
Bank of Cyprus	§10 %
Banque du Rhone S.A.	10½%
Barclays Bank	10 %
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	10 %
Co-operative Bank	*10 %
Copleys Bank	11½%
Corinthian Securities	10 %
Credit Lyonnais	10 %
G. R. Dawes	11 %
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	10 %
■ Antony Gibbs	10½%
Goode Durrant Trust	10 %
Greyhound Guaranty	10 %
Grindlays Bank	10½%
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Julian S. Hodge	11 %
Industrial Bank of Scot.	10 %
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Knowsley & Co. Ltd.	11½%
Lloyds Bank	10 %
London & European	11½%
London Mercantile	11½%
Midland Bank	10 %
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Northern Comm. Trust	10½%
Norwich General Trust	10½%
Portman Guaranty	11 %
P. S. Refson & Co.	10 %
Rossminster Accept'cs	10 %
Royal Trust of Canada	11 %
Schlesinger Limited	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11½%
Shenley Trust	11½%
Standard & Chartered	10 %
Sterling Credit	12 %
Thames Guaranty	11 %
Trade Development Bk.	10 %
Twentieth Century Bk.	11½%
United Bank of Kuwait	10 %
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10½%
Williams and Glyn's	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

CORAL INDEX
Close 302-307

I.G. INDEX
GOLD 161-164

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]

MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 11 per cent.
(since July 25, 1975)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave assistance by buying a moderate amount of Treasury bills from the Discount houses. Revenue payments to the Exchequer exceeded Government disbursements and a net market take-up of Treasury bills was also against the market's favour. These were partly offset by further Savings 3 per cent. redemption money.

Discount houses paid between 9¾ per cent. and 10½ per cent. for secured call loans in the early part, and towards the close money was available at 9-9¾ per cent. In the inter-bank market overnight loans commanded 9¾-10 per cent. at the start, and increased to 10½-10¾, before closing at 8½-9 per cent. Short-term fixed period interest rates were a little firmer, with the three-month sterling certificate yield improving to $10\frac{11}{16}$-$10\frac{9}{16}$ per cent., from 10⅝-10½ per cent. Rates in the table below are nominal in some cases.

Aug 21 1975	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills ♦	Bank bills ♦	Fine trade bills ♦
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

AUTHORISED UNIT TRUSTS

BT Income	155.0	165.0	......	9.19
BT Capital Inc	23.4	25.2	......	2.46
BT Capital Acc.	23.9	25.5	......	2.46
BT Exempt	72.8	78.0	......	6.66
BT Intl. Inc	11.2	12.7	......	5.16
♦BT Inter'l Acc.	11.9	12.8	......	5.16

Prices on Aug. 19. Next sub. day Aug. 28.

The British Life Office Ltd.♥ (a)

Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	35.7	37.2	......	5.90
BL Balanced*	27.2	28.8	......	5.64
BL Capital*	27.2	28.8	......	4.72
BL Dividend*	24.4	25.8	......	9.45

*Prices on Aug. 20. Next dealing Aug. 27.

Do. Acc.	59.9	63.7	......	3.70
G.T. Inc. Fd. Un.	91.3	97.3	......	7.00
G.T. U.S. & Gen	127.5	135.6	......	1.00
G.T. Japan & Gen.	147.3	156.7	......	1.00
♦Gt. Pens.Ex.Fd.	97.5	102.3	......	3.00

G. & A. Un. Tst. Mgrs. Ltd.(a)(g)

5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	20.4	21.8	......	6.00

Gartmore Fund Managers♥

2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	29.1	31.3	......	4.50
High Income Tst.	27.0	29.0	+0.1	12.75
(2)Overseas Tst.	22.1	23.8	−0.8	1.75

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Craig Ship. £1	400	......	Shiloh Spinn.	24	......
Ash Spinning	36	......	Hallam Sleigh 10p	5	−1	Sindall (Wm.)	90	......
Bertam	19	......	Higsons Brew.	78	......			
Bdg'wtr. Est. 50p	105	......	I.O.M. Stm. £1	120	......	IRISH		
Clover Croft	35	......	Holt (Jos.) 25p	178xd	......			
Craig & Rose £1	310	......	Kleen-e-Ze	18	......	Alliance Gas (£1)	40	......
Dyson (R.A.)	30	......	Lovell's Ship £1	115	......	Carroll (P. J.)	108	......
Ellis & McHdy.	58	......	N'thn. Goldsmith	90	−5	Clondalkin	51	......
Evans Fr'k. 10p.	36	......	P.M.A.	31	......	Concrete Prods.	68	......
Evered	10	......	Pearce (C. H.)	60	......	Goodbody (£1)	38	......
Fife Forge	47	......	Peel Mills	16	......	Heiton (Hldgs.)	33	......
Finlay Pkg. 5p.	16	......	Richards 10p	9	......	Irish Distillers	62	......
Frost & Reed 30p.	85	......	RobbCaledon5p.	19	......	Irish Wire	40	......
Gardiner & Sons	11	......	Sayers 12½p	6	......	Jacob	45	......
Gardner (L.)	64	......	Sheffield Brick	60	......	Sunbeam	7½	......
			Sheff. Refrshmt.	141	......	Unidare	60xd	......

FOOD PRICE MOVEMENTS

	Aug. 21 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	800	845	845
British A.1 per ton†	795	840	840
Irish Special per ton†	795	840	840
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton¶	795	840	840
BUTTER (packet)			
NZ per 20 lbs†	7.09- 7.15	7.09- 7.15	7.09- 7.15
English per cwt†	42.92	42.92	41.14-41.18
Danish salted per cwt†	45.30-45.53	43.51-43.42	42.45-43.51
CHEESES§			
English cheddar white rindless 40-lb per cwt	—	—	—
NZ per 20 kilos	15.01	15.61	15.61
EGGS*			
Home-prod. Standard	1.60- 1.80	1.70- 2.00	2.40- 2.50
Large	2.00- 2.40	2.20- 2.65	3.10- 3.30

	Aug. 21 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides ex KKCF	28.0—32.0	28.0—32.0	28.0—32.0
Eire forequarters	19.0—21.0	18.0—19.0	17.5—18.5
Argentine chilled rumps	—	—	—
LAMB			
English	27.0—32.0	24.0—28.0	30.0—34.0
NZ 28-Ds	28.0—29.5	28.0—29.0	29.0—30.0
PORK (all weights)	23.0—32.0	22.0—32.0	24.0—32.0
MUTTON			
English ewes	9.0—12.0	9.0—10.0	12.0—13.0
POULTRY			
Broiler chickens	24.0—27.0	24.0—27.0	24.0—27.0

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ¶ For delivery August 23-30. ** FMC prices.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94⅞	Exch. 6½pc 1976‡‡	98⅛xd	......	6.61	9.91
97¾	92⅞	Treasury 6½pc 1976‡‡	97xd	......	6.70	9.74
99	97	Victory 4pc 1976‡‡	99xd	......	—	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅞	+⅛	10.53	10.67
95¼	88⅞	Treasury 6¼pc 1977‡‡	94⅞	−⅛	6.58	9.85
94⅝	86⅜	Electric 3pc '74-77	94⅛xd	−⅛	3.18	6.91
103⅞	96⅞	Treasury 11¼pc '77‡‡	100⅞xd	−⅛	11.43	11.21
88½	84	Treasury 3pc '77‡‡	88	−⅛	3.41	8.96
90⅝	84⅞	Transport 4pc '72-77	89⅞	......	4.45	8.93
96⅞	90½	Treasury 8pc 1978‡‡	94⅛xd	−⅛	9.53	11.70
100⅞	96⅞	Treasury 10¼pc '78‡‡	97⅞	−⅛	10.61	11.65
87½	79	Exchequer 5pc '76-78‡‡	87¼xd	−⅛	5.73	9.89
103	94⅞	Treasury 11½pc '79‡‡	99⅛xd	−⅛	11.61	11.25
79⅜	71⅞	Treasury 3pc '79‡‡	78⅛xd	−⅛	3.82	9.51
81⅞	73⅞	Electric 4¼pc '74-79	80¾xd	−¼	5.26	10.07
100⅞	94⅞	Treasury 10½pc '79‡‡	95⅞	−⅛	10.94	11.71
79½	71	Electric 3½pc '76-79	79⅛	......	4.41	9.52
95	84	Treasury 9pc 1980‡‡	90¼xd	−⅛	9.92	11.69
95⅞	91	Treasury 9½pc '80‡‡	91¼	......	10.41	11.96
79	68¾	Treasury 3½pc '77-80	76⅝	−⅛	4.57	9.67
84½	71	Funding 5¼pc '78-80‡‡	82½	−⅛	6.36	9.89
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	74¾	−⅛	4.69	9.53
91⅛	72⅝	Do 8½pc '80-82‡‡	86	−½	9.99	11.87
104⅞	86⅝	Treasury 12pc 1983‡‡	97¼xd	−⅛	12.23	12.41
78	58	Funding 5½pc '82-84‡‡	73¾	−⅛	7.52	10.35
85¾	61⅞	Treasury 8¼pc '84-86‡‡	81¼	−⅛	10.59	11.75
73¾	51⅞	Funding 6½pc '85-87‡‡	70½	−⅛	9.49	11.44
76¼	53	Treasury 7¾pc '85-88‡‡	72⅛	−⅛	10.83	12.25
47¼	32⅞	Transport 3pc '78-88	45¼	−¼	6.69	11.19
56⅝	39¾	Treasury 5pc '86-89	55	−¼	9.39	11.91
		Over Fifteen Years				
75½	53¾	Treasury 8¼pc '87-90‡‡	70⅜	−¼	11.98	13.04
57⅛	41⅞	Funding 5¾pc '87-91‡‡	55⅝	−¼	10.76	12.65
94½	94½	Treasury 12¾pc '92‡‡	94¼	−⅛	13.60	13.71
97½	85⅞	Treasury 12½pc '95‡‡	91⅛	−¼	13.92	14.06
55⅝	40½	Funding 6pc 1993‡‡	50½xd	−¼	11.79	13.20
75¼	54⅞	Treasury 9pc '94‡‡	70	−¼	13.31	13.83
34⅞	24¾	Gas 3pc '90/95	33⅛	−¼	9.25	12.02
102	75	Treasury 12¾pc '95‡‡	94	−¼	14.08	14.15
71½	54¾	Treasury 9pc '92/96‡‡	66¼xd	−¼	13.46	13.94
33½	26½	Redp. 3pc 1986-96	32⅝	−¼	9.54	11.98
95¼	93¾	Treasury 13¼pc '97‡‡	94½	−¼	14.22	14.26
69⅝	53¼	Treasury 8¾pc 1997‡‡	64⅞xd	−¼	13.54	13.95
59⅞	40¾	Treasury 6¾pc '95-98‡‡	53⅜	−¼	13.16	13.81
75⅛	54¼	Treasury 9½pc 1999‡‡	70⅛	−½	13.74	13.99
29⅝	22	Funding 3½pc '99-04	29¼	−¼	12.12	12.98
61⅞	47	Treasury 8pc '02-06‡‡	61	−¼	13.80	13.94
43¼	33	Treasury 5½pc '08-12‡‡	40xd	−¼	13.65	13.80
59⅝	43⅜	Treasury 7¾pc '12-15‡‡	56	−¼	13.98	13.99
		Undated				
29¾	22⅛	Consols 4pc	27⅞	−⅛	14.47	—
27¼	20⅛	War Loan 3½pc‡‡	25⅝	−⅛	14.09	—
27½	22⅜	Conv. 3½pc '61 Aft.	26¾	−⅛	13.79	—
22⅝	17½	Treasury 3pc '66 Aft.	22	−⅛	14.38	—
18⅜	14¼	Consols 2½pc	17⅞	−⅛	14.29	—
18⅝	14¼	Treasury 2½pc	18⅛	−⅛	14.58	—

**INTERNATIONAL BANK

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
68	58	5pc Stock '77-82	65¾xd	−¼	7.63	12.50
97¼	91½	8pc Stock 1976	96½	−¼	8.29	11.96

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 88¼% (based on $2.1114 per £)

CANADIANS

[illegible]

S.E. List Premium 88¼% (based on $2.1907 per £)
Conversion factor 0.6314 (0.6339)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, Etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	800	Durban Deep R1	900	......	‡Q110c	ϕ	‡
£14	860	E.Rand Prp. R1	£10	......	‡Q115c	ϕ	‡
105	54	Rand Leases 25c	54	......	—	—	—
£34½	£22	Randf'tn Est. R2	£27¼	+½	—	—	—
500	260	West Rand R1	293	−2	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	285	+5	†Q51c	1.1	11.2
23	13	Daggafontein 50c	16	......	—	—	—
105	60	East Dag R1	63	......	‡Q25c	ϕ	‡
140	140	Gvnl. Areas 5c	140#	......	—	—	—
380	210	Grootvlei 30c	245	+5	‡Q32c	1.1	‡
820	410	Kinross R1	710	+10	†Q50c	1.5	4.4
198	107	Leslie 65c	116	+2	†Q22c	1.6	11.9
550	305	Marievale 25c	375	......	‡Q84c	1.1	‡
725	380	S. African Ld. 35c	475	−5	‡Q35c	1.2	‡
265	165	Vlakfontein R1	178	+1	Q35c	1.3	12.7
£13¾	840	Winkelhaak R1	£11⅛	+¼	†Q94c	1.2	2.8
120	65	Wit. Nigel 25c	65	......	Q1c	10.9	0.7

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25c	840	−5	Q100c	ϕ	7.5
£21½	£17	Buffels R1	£20¼	+¼	Q180c	ϕ	5.6
430	293	Deelkraal R0.20	390	+4	—	—	—
£14¼	920	Doornfontein R1	£10¼	+⅛	Q110c	ϕ	6.7
£12¾	725	East Drie R1	£10¾	+¼	Q65c	ϕ	3.9
£12½	725	Do. Comb. Units	£10⅝	......	—	—	—
450	295	Elsburg R1	360	......	Q45½c	—	7.9
£31	£16	Hartebeest R1	£25¼	......	Q215c	ϕ	5.3
£13¼	815	Kloof Gold R1	£10⅛	+⅛	Q55c	ϕ	3.4
£17¼	875	Libanon R1	£10¼	+¼	Q110c	ϕ	6.8
£13¼	900	Southvaal 50c	£11½	+⅛	Q9c	0.9	0.5
480	330	Stilfontein 50c	340	+5	‡Q65c	1.3	‡
£33¼	£21	Vaal Reefs 50c	£29⅝	−¼	‡Q220c	1.7	‡
£11½	650	Venterspost R1	780	+10	Q70c	ϕ	5.6
£55	£34	W. Drie R1	£42¼	+¼	Q485c	ϕ	7.1
745	450	W'st'rn Areas R1	530	......	†Q70c	1.4	8.3
£23	£15	Western Deep R2	£19¼	+¼	‡Q160c	1.4	‡
530	295	Zandpan R1	465	+5	Q35½c	ϕ	4.8

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	290	Fr. State Dev. 50c	300xd	......	Q14c	1.6	2.9
£32¾	£21	F.S. Geduld 50c	£29¾	+¼	†Q516c	1.1	6.7
265	196	F.S. Saaplaas R1	234	+2	Q16c	1.1	4.3
960	550	Harmony 50c	865	+5	Q77c	ϕ	5.6
575	320	Loraine R1	335	+5	Q12c	6.7	2.2
£28¼	£19½	Pres. Brand 50c	[illegible]	......	†Q235c	1.3	6.2

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	6	......	m0.5	—	1.7
65	17	Charterhall 5p	51	−1½	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	680	−10	‡Q130c	2.2	‡
53½	29½	Laurasia	40½	−1	—	—	—
19	11	NRD $1	12	......	—	—	—
375	200	Northgate C$1	275	−3	Q65c	1.0	10.2
211	80	R.T.Z.	170	+1	4.97	3.4	4.5
135	47½	Sabina Inds. C$1	73	−3	—	—	—
81	51	Stanford Mines R...	62	......	—	—	—
£12½	875	Tara Expln. $1	£10½	+½	—	—	—
78	38	Yukon Cons. C$1	66	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ! Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✝ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 18

FINANCIAL TIMES

Friday August 22 1975

U.S. retail prices rise 1.2% in July

BY ADRIAN DICKS

WASHINGTON, August 21.

U.S. RETAIL prices leapt up by 1.2 per cent. during July, taking the annual rate of inflation for the month back across the psychological threshold of "double digits," and further complicating President Ford's task as he seeks to shape policy in the light of *an increasingly firm economic* recovery.

The July rise was the highest in one month since last September, comparing with a 0.4 per cent. increase in retail prices in May and 0.8 per cent. in June.

The *official* figures from the Bureau of Labour Statistics showed that fully three-quarters of the increase was due to higher petrol prices and to partially *unseasonal increases* in meat, poultry, fruit and vegetable prices.

As a result, Mr. Sidney Jones, Assistant Treasury Secretary for economic policy, said the July performance was "not represen*tative of what we have seen in* inflation or what we are likely to see . . . Inflation remains a very serious problem, but the outlook in the near term is not for *double-digit inflation*."

Simultaneously Mr. Earl Butz, the Agriculture Secretary, dismissed the 1.7 per cent. increase in the food index as a temporary phenomenon, although his department has also issued revised *food price forecasts for the year* which predict an overall increase of 9 per cent., against a range of 6-8 per cent. predicted previously.

Confirms

The July price increase coincides with a revised picture of *gross national product* performance during the second quarter, which confirms a number of predictions by private economists that the recovery in the economy has already gathered more strength than *had been previously shown*.

From a preliminary estimate of a 0.3 per cent. decline in real GNP in the second quarter, the revised estimate now shows a 1.6 per cent. increase in real GNP at an annual rate. This *compares strikingly with the* steep 11.4 per cent. decline in real GNP during the first quarter of this year.

The Department of Commerce reported that the new GNP figure resulted from upward adjustments of net exports, consumer purchases of goods and the change in business inventories, while purchases or services, fixed investment and Government *spending* were revised downwards.

At the same time, the Department also announced a $6.2bn. increase in corporate profits dur*ing the second quarter to an* adjusted annual rate of $100bn.

In spite of the Administration's hope that the July price figures will turn out to be a freak, the detailed breakdown of the index carries an unmistakable political *threat on two issues where it is* already on the defensive.

First, the 3.3 per cent. jump in petrol and motor oil prices during July, bringing a total increase of 8.6 per cent. in the past four months, seems likely to *weaken seriously* the President's position as he tries to win Congressional approval for a combination of price decontrol and the lifting of the $2 a barrel import fee.

Mr. Ford is keenly aware of *the widespread fear that a fur*ther increase in oil product prices might seriously hamper the recovery process by draining purchasing power from consumers, as well as adding a further twist to pressure on industrial costs.

The second area where the administration remains highly vulnerable is over its controversial and temporarily suspended *grain sales to the Soviet Union*, which have already led to this week's work stoppages by dockers in Houston.

Mr. Butz to-day said that the July price figures were collected before the last round of sales *was even announced*, and he also demonstrated that cereal products and baked goods were cheaper than in June.

The Agriculture Department *also reported that known Soviet* purchases from all suppliers now amount to about 16.5m. tons, including an unconfirmed purchase from either Western Europe or Argentina.

Europe grain for USSR—report Page 23

West may join in Arab loan to Egypt

By Mary Campbell

A SUCCESSFUL conclusion *to Dr. Henry Kissinger's* **current negotiations in the Middle East could result in the U.S. and some European countries participating in a multi-billion dollar financing package for Egypt which is now being negotiated.**

The financing package would be arranged at an *inter-governmental* **level. Euromarket** *sources* **suggest that a number of Arab states have already agreed in principle to put up well over $1bn. Saudi Arabia would be expected to be the largest single contributor providing close on half the total** *from all Arab states.* **The other Arab countries involved are said to be Kuwait, Qatar and the United Arab Emirates.**

Final agreement on the *package is unlikely for several* **weeks. This is partly because of the Muslim feast of Ramadan which starts in just over two weeks and will last about a month and partly because any U.S. participation would have to wait** *for President Ford's* **overall reassessment of U.S. Middle East policy following a successful conclusion to the current diplomatic negotiations.**

Mr. Ford is expected to pre-*sent Congress* **with a comprehensive plan for aid to the Middle East, including Israel, at that time.**

Pressing

Egypt's financing problems are pressing and severe. Its foreign exchange reserves fell *from $603m. to $342m. during* **the last quarter of last year (the latest date for which figures are available). It is thought that its foreign currency requirements amount to at least $2bn. and could be as** *high at $5bn.*

They fall into two categories —its short-term debt repayments to the Soviet Union and the money needed for its development plans and large-scale arms purchases which *President Sadat is envisaging.*

Rise in demand boosts London Brick profits

BY MICHAEL CASSELL

LONDON BRICK yesterday reported a big increase in half-yearly profits and said that demand from the building industry had risen sufficiently to *enable a further expansion in* output.

With *some of the most encour*aging news to emerge from the beleaguered construction sector for many months, Britain's biggest brick manufacturer reported pre-tax profits of £5.08m. for the first six months of 1975, *against £1.36m. last time.* The news took London Brick's share price up 6p to 54p.

In 1974, the building recession forced the company to lay off over 2,000 workers and shut down kilns. By the beginning of this year, output was running at only 60 per cent. of total capa*city and stocks on the ground* had risen to around 360m.

Steady rise

Since then, the company *says* demand has picked up considerably, mainly due to the steady rise in the level of house building. After a period when council housing remained the most active sector, private house building is *now on the upturn.* In the first six months of the year, London Brick lifted nearly 170m. standard bricks from stock and this total has now risen to 220m., leaving the company with "normal" stocks.

The encouraging results for the first half to some extent reflect *sizeable* stock profits and the company has not had to bear the expense of running some of its high-cost production units, closed when demand dropped. Prices were *also raised substan*tially in January, restoring margins. The company has increased prices again this month.

Mr. Jeremy Rowe, London Brick's deputy chairman, said *yesterday that output was now* running at about 70 per cent. of total capacity. It was now anticipated that production would rise to around 75 per cent. of potential output and the possi*bility of additional* working was being discussed with the trade unions.

London Brick, like other brick producers, is anxious not to over-react to the more encouraging outlook for demand. It is by no means certain that the building upturn, restricted mainly to the *housing sector, will be prolonged.* Manufacturers do not want to expand now if a further cut-back could then be necessary.

In London Brick's case, the company is hopeful that demand will be maintained at a reasonable level but it still remains compartively low when compared *with periods of high building* activity. The company's deliveries in the first six months of 1975 were over 5 per cent. up on the same time a year ago.

Half-year results Page 18

Union seeks brick 'bank'

MR. ANTHONY CROSLAND, Secretary for the Environment, is being urged to establish a "brick bank" to provide the construction industry with a continuous supply of bricks. The call comes from the Association of Professional Executive, Clerical and Computer Staff, which also proposes the nationalisation of Oxford Blue clay deposits from which Fletton bricks are made.

In a letter to Mr. Crosland, the union said there was a shortage of some types of brick and urged long-term planning.

A brick bank would help "iron out uncertainties of production."

THE LEX COLUMN

UDT after the £59m. shake-out

Index rose 3.8 to 304.5

RATHER jittery yesterday, gilts may derive some comfort this morning from the latest U.S. *money supply* (M1) figures showing a fall of dollars 1.2bn.

This largely reverses the $1.9bn. rise a week ago, and should reduce the chance that *U.S. interest ratss will go higher* in tre near term.

UDT

At least UDT is sticking to its view in February that provisions of £21.6m. against its *property loan book should prove* adequate. But for the year-end *it has produced a grisly list of* other write-offs, ranging from £7m. against its U.S. subsidiary and £4m. in respect of the Wigfall holding to £2m. against an Australian cattle fattening off-shoot. And the second half produced further losses at the trading level of £5.1m., attributed to the need to double the normal provision on consumer lending to 5.3 per cent. costing £4m., and to cut out 1,000 jobs, *involving redundancy payments* of £2.5m. or so. The overall effect of this "deplorably adverse" year has been to slash Ordinary shareholders funds from £95m. to £36m., or 34p a share, though UDT says that with Preference shares, minorities and subordinated loans (excluding £10m. uncalled) the capital base is still just over £100m. That compares with group deposits which apparently *remain at around £1.1bn.*

UDT's immediate prospects now look a little brighter. Thanks to a good level of house sales its property loans have shrunk from £160m. to £145m. in six months, and *it is still* talking about clawing back pro*visions and suspended interest.*

Elsewhere it will get the benefit of reduced costs after the job shakeout (all the money shops have gone, for instance). It could now start making profits, barring a *jump* in money costs (half lending is at fixed rates) or a further deterioration in arrears.

But almost all its competitors now obtain their funds much *more cheaply.* More seriously, the capital base looks slender *against the existing size of the* group, particularly, when the *equity proportion* is so low. Mercantile Credit, with somewhat similar capital ratios, talked earlier this month about the need to strengthen its capital base had it stayed independent. No early developments are likely, but at 18p the shares remain strictly speculative.

See also page 18

Distillers

Distillers' balance-sheet shows a *£76m. increase* in net working capital during 1974-75, and net capital spending took another £17m. So though the stock relief measures have reduced the group's tax payments to modest proportions, group borrowings still rose by £50m. over the year. Of course this has a favourable impact on the CPP statement, where earnings are now *only marginally* below the historic cost figures, and *total borrowings still repre*sent under a quarter of capital *employed.*

But nearly £50m. of new debt has been raised since March, and despite the modest export price increase the trading background does not seem to be getting that much easier. The group admits to a loss of market share last year, and stresses the "particular weakness" of U.S. demand since Christmas. So although the shares at 109½p are propped by *a yield of 7½ per cent., these* accounts are not a signal for *a recovery of lost status.*

See also page 18

London Brick

London Brick's share price —up 6p at 54p yesterday—has *now risen* by 40 per cent. this month, and the interim statement *suggests that profits are* heading up to best previous *levels. At the half-year,* the pre-tax total is £5.1m., against £1.37m. and *£2.67m. for the* whole of 1974. About £1.5m. of the increase *probably* came from stock profits as prices were increased in January, *and there* was a 168m. reduction in stocks of bricks *from the* end-December total of 360m.

A *further 50m. bricks* have been lifted from the ground *since then* and the group is planning to increase production, though only to about 75 per cent. of total capacity compared with 60 per cent. at the beginning of the year. Moreover, prices were increased by a further 10.5 per cent. last month. Although there is no forecast of the full-year outcome or of the interim dividend to be declared in October, there are obvious hopes of a restoration of last year's cuts. But a prospective yield of 7.1 per cent. *is not going to* generate much fresh enthusiasm.

See also page 18

Cavenham

Cavenham has altered its accounting treatment so as to differentiate between what it defines as short- and long-term deferred tax. The former, which includes U.K. stock relief, is still provided for: the latter is not, and at the same time goodwill has been written down by *over £15m. A number of other* large companies already follow *this practice*, but *it is not in* line with the accountants' *exposure draft*—and a standard is expected in the very near future.

However, the balance-sheet is strengthening under its own steam. Disposals since the year-end have pushed net cash up by £18m. to £48m., and chopped roughly £7m. off both loan capital and goodwill. Further sales can apparently be expected.

See also page 18

Chase offers loans indexed to SDRs

BY GUY DE JONQUIERES

NEW YORK, August 21.

CHASE MANHATTAN BANK will start a new service next Monday offering dollar loans and time deposits indexed to Special Drawing Rights. It will also offer facilities for dealing in SDR futures contracts.

The scheme, *the first of its* kind to be launched by a major U.S. bank, is clearly designed to appeal particularly to both private and Government customers in Middle East oil producing countries like Iran and *Saudi Arabia which have linked* their currencies to SDRs.

The *bank said that the service* is intended to provide additional *exchange rate security for such* customers, whether as borrowers or lenders, as well as for Western companies doing business with them. To a lesser *extent, it may also be of interest* to large multi-national concerns doing business in a number of major currencies represented in the SDR "basket."

Ironically, Chase's announcement to-day coincided with the *publication of a report by an*other big New York bank, Morgan Guaranty Trust, which concludes that the SDR is unlikely to gain widespread use in the foreseeable future as a *medium of international commer*cial exchange.

"The IMF SDR is still surrounded by too much mystery and obscurity to gain quick acceptance as an international currency and standard of value," Morgan *states.* "*SDR valuation* may offer poor protection of exchange exposure unless the exposure accords roughly with the SDR's currency make-up. Furthermore, the SDR provides no protection against inflation."

Use of the SDR in private sector finance has been fairly limited until now, though the past three months have seen the issuance of three international bond offerings denominated in SDR by Alusuisse, the *Swedish investment bank, and* Electricite de France respectively. In some cases, the prices of these issues have been adversely affected by the recent strengthening of the dollar.

Miners' vote looks likely to support £6 pay policy

BY JOHN WYLES, LABOUR REPORTER

VOTING CLOSES to-day in the ballot of Britain's 260,000 miners amid strong indications that a *substantial majority have* decided to support the Government's new £6 anti-inflation policy.

The result will be declared in the middle of next week, just a few days before the TUC's *annual Congress delivers its* verdict on the policy.

Different coalfields have voted at different times because of annual holidays, but unofficial estimates from areas which have completed balloting point to *strong overall backing for the* moderates in the National Union of Mineworkers, and a defeat for the union's Left.

A majority miners' vote supporting the £6 limit will be a severe blow to the prestige of *the NUM's leading left-wingers,* notably Mr. Arthur Scargill, president of the Yorkshire miners, and Mr. Mick McGahey, *the NUM's Communist vice-presi*dent.

This setback will only be tempered if they have been able to win a majority vote against the policy in their own areas.

While Mr. Scargill has been on holiday, Mr. McGahey has worked strenuously during the *past fortnight to persuade his* Scottish miners to vote against the NUM's national executive recommendation to back the policy.

The tone of Mr. McGahey's speeches appears to point to a concerted Communist Party campaign later this year in the coal industry and elsewhere to erode support for the anti-inflation policy.

He has predicted a "grass roots" revolt against the £6 limit within a few months if as he expects, prices continue to spiral.

Despite a ballot verdict for the policy, NUM Left-wingers will *continue to battle within the* union against miners accepting the £6 limit when their annual pay negotiations start next year.

They argue that the decision to hold a ballot flouts the policy laid down by the union's annual conference to seek £39-a-week rises for coalface workers in next *year's claim.*

But NUM moderates are confident that their slim majority of one or two votes on the NUM executive will hold firm behind a £6 settlement next year if the ballot result goes their way.

Ezra urges war on coal costs Page 7

Lisbon stock market to reopen

BY OUR FOREIGN STAFF

IN AN ATTEMPT to instil some confidence in Portugal's economy and revive *investment—almost* at a standstill since last year's revolution—the country's military rulers yesterday outlined a new foreign investment code and announced that the Lisbon stock exchange would reopen *next month.*

The news comes against the *background of further moves* aimed at breaking the political deadlock which has resulted in widespread violence between Communists and their opponents.

A Government communiqué said the stock exchange, which was suspended when the Armed Forces Movement seized power *in April, 1974, would resume* operations as an "official market." The exchange would serve as a base for launching loans by the State and local councils as well as by business enterprises.

The communiqué stressed, however, that investments would have to be "manifestly of value for the national economy."

Lisbon business sources reacted cautiously to the announcement, arguing that much would depend on the restrictions the Government might put on the exchanges *operations.*

The foreign investment code, the Government said, would cover tax incentives, access to credit, profit and dividend transfers, access to the foreign exchange market and compensation in the *event of nationalisation.*

Details of the code still to be published would show that Portugal was open to foreign investment which could benefit *the country's economy.* An Institute of Foreign Investment would be set up within the Ministry of Economic Co-ordination and Planning.

The Government also announced that the Bank of Portugal is to be reorganised to co-ordinate and control the whole banking system, which was nationalised last March.

On the political front, the Navy—considered the most radical wing of the AFM—came out *with a declaration of support for* the Prime Minister, General Vasco Gonçalves.

Echoing the position adopted by the Communist leader, Dr. Alvaro Cunhal, on Monday night, however, the Navy also *expressed approval for points in* the programmes put forward by both the extreme Left and the "moderates" in the AFM leadership.

Sources close to the "moderate" faction told Reuters that a *compromise* had been reached between them and General Otelo Saraiva de Calvalho, the Leftist head of the internal security force, Copcon.

Press shaking off controls Page 6

Weather

U.K. TO-DAY

SUNNY spells, but also showers, especially in N.E. Scotland. Cool.

London, E., S.E., *Cent. N. and* Cent. S. England, E. and W. Midlands, E. Anglia

Sunny spells, showers developing, dry later. Wind N.W. then W., light. Max. 19C (66F).

Channel Isles

Showers, sunny intervals, dry later. Wind N.W. then W., moderate. *Max. 18C (64F).*

S.W. England, N. and S. Wales, I. of Man, N. Ireland

Isolated showers, sunny intervals, dry later. Wind N.W. then S.W., moderate. Max. 17C *(63F).*

N.W. England, Lakes, S.W. Scotland, Glasgow, Argyll

Sunny spells, occasion showers. Wind N.W. then W., moderate. Max. 16C (61F).

N.E. England, Borders, *Edinburgh, Dundee Areas,* Aberdeen, Cent. Highlands, Moray Firth

Sunny spells, showers developing. Wind N.W., moderate to light. Max 17C (63F).

N.E. Scotland, Orkney, Shetland

Showery, sunny *intervals.* Wind N.W., fresh becoming *light. Max. 14C (57F).*

Outlook: Changeable. Rain at times, sunny *periods.*

Lighting-up: London, 20.41, Manchester 20.55, Glasgow 21.10, Belfact 21.13.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	F	30	86	Luxembg.	S	27	81
Amstrdm.	R	18	64	Madrid	S	28	82
Athens	F	29	84	Manchstr.	F	17	63
Bahrain	S	25	78	Melbourne	R	14	57
Barcelona	F	29	84	Milan	S	28	82
Beirut	S	29	84	Montreal	S	20	68
Belfast	C	13	55	Moscow	F	12	54
Belgrade	F	23	73	Munich	S	26	79
Berlin	S	27	81	Newcastle	S	17	63
Birmnghm.	C	16	61	New York	C	20	68
Bristol	F	19	66	Oslo	F	22	72
Brussels	C	20	68	Paris	C	20	68
Budapest	F	24	75	Perth	S	17	63
B. Aires	S	18	64	Prague	F	26	79
Cairo	S	34	93	Reykjavik	S	12	54
Cardiff	F	18	64	Rio de J'o	S	26	[illegible]
Cologne	F	28	82	Rome	S	27	81
Copnhagn.	F	22	72	Singapore	S	29	84
Dublin	F	17	63	Stockholm	F	22	72
Edinb'gh	F	16	61	Strasbourg	S	28	82
Frankfurt	S	28	82	Sydney	S	17	63
Geneva	S	27	81	Tehran	S	30	86
Glasgow	F	13	[illegible]	Tel Aviv	S	28	82
Helsinki	F	20	68	Tokyo	C	33	91
H. Kong	S	30	87	Toronto	R	18	64
Jo'burg	S	19	66	Vienna	S	24	75
Lisbon	S	25	77	Warsaw	F	24	75
London	F	19	66	Zurich	S	24	75

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	30	86	Jersey	C	19	66
Algiers	S	32	90	Las Plms.	C	25	77
Biarritz	C	21	70	Locarno	C	23	73
Blackpool	F	17	63	Luxor	S	39	102
Bordeaux	C	21	70	Majorca	F	31	88
Boulogne	C	16	61	Malaga	S	28	82
Casablnca.	F	26	79	Malta	F	29	84
Cape Tn.	C	19	66	Mexico C.	S	19	66
Corfu	S	29	84	Nairobi	C	16	61
Dubrovnik	S	27	81	Naples	S	29	84
Faro	S	30	86	Nassau	F	31	88
Florence	S	29	84	Nice	S	27	81
Funchal	S	25	77	Oporto	S	22	72
Gibraltar	S	27	81	Rhodes	S	28	82
Guernsey	F	20	68	Tangier	S	25	77
Innsbruck	S	26	79	Tenerife	S	27	81
Inverness	F	17	63	Tunis	S	29	84
I. of Man	S	16	61	Valencia	F	25	77
Istanbul	C	27	81	Venice	S	27	81

S—Sunny. C—Cloudy. R—Rain. F—Fair.

Continued from Page 1

Unemployment rises

This point is likely to be picked up when the Centre for Policy Studies—set up by Sir Keith Joseph—produces its regular assessment of the figures shortly.

One other possibly hopeful aspect of the recent movements in the labour market has been the drop in the number on short-time working in manufacturing industry. This has come down *from 239,000 in mid-May to an* estimated 128,000 this month.

However, *this figure is thought* to reflect the impact of the holiday season as well as decisions by employers to lay off completely workers who had previously been only on short time. It is likely to rise again next month.

Though there are some slightly encouraging aspects, therefore, no official attempt is being made to play down the seriousness of the figures or the prospect that there could be worse to come.

To some extent, the U.K. is catching up with other countries where *the economic recession* has been quicker and deeper and *the level of unemployment* has risen more sharply; though in some of these, including the U.S. there is now a prospect of recovery in the fairly near future.

At present the Government seems bound to resist pressures for reflation and the official inclination as shown by Mr. Wilson and Mr. Foot has been to underline the relationship *between wage inflation and* unemployment.

Plea to Wilson over pay policy

By Our Labour Staff

MANAGEMENT of Sagar-Richards, a strike-hit Halifax engineering plant, *yesterday sent* a telegram to the Prime Minister asking him to clear up confusion over the Government's pay policy.

The Department of Employment has advised the company against paying an interim pay agreement due to have been implemented from August 1 and the 200 workers have come out on strike as a result.

The employees maintain the interim deal should be allowed as it was signed before publication of the Government's White Paper which limits pay increases to £6 in a year and says there *must be at least 12 months* between settlements.

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